

JPRS-NEA-89-027  
4 APRIL 1989



**FOREIGN  
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# ***JPRS Report***

## **Near East & South Asia**

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# Near East & South Asia

JPRS-NEA-89-027

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## ARMENIAN

### Catholicos, Activists Named Candidates for People's Congress

#### Nomination of Catholicos Confirmed

46050018 Paris HARATCH in Armenian  
28-29 Jan 89 p 1

[Text] In our yesterday's issue we noted the "sensational" report by the correspondent of LE MONDE about the candidacy of the Catholicos of All Armenians in the upcoming Soviet elections. We left a question mark on that report with our traditional cautiousness. It has now been learned that that uncertainty was completely unnecessary. It is true that the Catholicos is a candidate. For the moment we consider any comment on this issue premature because this situation is so unprecedented and because we are not familiar with the reasons which motivated the Catholicos to consent to such a proposition.

In the LE MONDE report correspondent Bernard Getta said that this is "a complete novelty" for the Soviet Union. What interests us is our situation. The "complete novelty" is really for the Armenian Apostolic Church and us.

#### Karabakh Committee Members Named Candidates

46050018 Paris HARATCH in Armenian 2 Feb 89 p 1

[Text] People's Candidates

#### Electoral Districts

- 732. Ashot Manucharyan [Karabakh Committee]
- 733. Vazgen Manukyan [Karabakh Committee]
- 734. Levon Ter-Petrosyan [Karabakh Committee]
- 735. Sero Khaznatyan [writer activist]
- 738. Berj Zeytuntsyan
- 739. Rafayel Khazaryan [Karabakh Committee]

#### Electoral Districts in National Territories

- 385. Armen Hovannisyan (Lenin)
- 386. Hambardzum Galsdyan [Karabakh Committee] (Lenin)
- 387. Suren Zolyan (Spandiaryan)
- 388. Sarkis Muratyan (Ordzhonikidze)

- 389. (1) Samuel Gevorgyan [Karabakh Committee] (26 Komisar) (2) Roman Yepiskoposyan (26 Komisar)
- 390. (1) Arshak Sadoyan (Mashtots) (2) Rafayel Ishkanyan (Mashtots)
- 391. (1) Samson Khazaryan [Karabakh Committee] (Shahumyan) (2) Hrachya Simonyan (Shahumyan)
- 392. Babgen Araktsyan [Karabakh Committee] (Miasnikyan)
- 393. Davit Vardanyan [Karabakh Committee] (Sovetakan)
- 394. Karen Simonyan (Sovetakan)
- 399. Sos Sargsyan [writer activist] (Abovyan)
- 400. Igor Muratyan [formerly Karabakh Committee, publisher of ARTSAKHI DZAYN] (Ararat)
- 401. Samuel Bokhosyan (Artashat)
- 402. Khachik Safaryan (Artik)
- 404. Yura Shahbazyan (Ashtarak)
- 405. Khachik Stampoltzyan [activist] (Ashtarak)
- 406. Hrant Matevosyan (Khapan)
- 407. Aleksan Hakobyan [Karabakh Committee] [no district name given]
- 408. Vano Serateryan [Karabakh Committee] (Idzhevan)
- 409. (1) Tigran Mansuryan (2) Grigor Gurzadyan
- 410. Sen Arevshatyan (Marduni)
- 411. Vahagn Davtyan [writer activist]
- 412. Maro Margaryan (Oktemberyan)
- 413. Aramayis Sahakyan (Charentsavan)
- 415. Rafik Sahakyan
- 416. Rafik Nahapetyan (Echmiadzin)

## REGIONAL

### Development, Demographic Figures for GCC States Given

44040205 Muscat AL-WATAN in Arabic 20 Dec 88 p 8

[Article: "Facts and Figures: Sultanate Has Highest Percentage of Citizens Among Population. Bahrain Least Populated and Highest in Density. Qatar Has Highest Doctor-Per-Person Ratio"]

[Text] In 1986, the total population of the GCC [Gulf Cooperation Council] countries was estimated at about 17.7 million persons, or 9 percent of the Arab nation's total population of 197.2 million for the same year. Saudi Arabia's population of 11.7 million for 1986 represents 66.5 percent of the total GCC population, followed by the Sultanate of Oman. Qatar and Bahrain are the least populated countries, with a population of no more than 0.29 and 0.41 million persons, respectively.

Nonetheless, Bahrain, with 597 persons per square kilometer, remains the most densely populated country, followed by Kuwait with 100.6 and Qatar with 25.4 persons per square kilometer, while the overall population density is about 7.1 persons per square kilometer.

With regard to demography, the Sultanate of Oman has the highest percentage of citizens among the total population. In 1985, citizens comprised 75.2 percent of the population, as compared to 36.2 percent for the UAE [United Arab Emirates]. Citizens in Qatar and Kuwait represent less than 50 percent of the total population: 47.7 and 40 percent respectively.

### Work Force

GCC countries import foreign labor, hence their growing concern with expanding and raising the standards of technical education and vocational training institutions for the national work force. Available statistics show that in 1985, GCC countries had about 6.2 million workers, 34.8 percent of whom represented the national work force. Between 1980 and 1985, this work force grew at an annual rate of 1.8 percent.

The 8.5 percent growth rate in the total work force in Bahrain was the highest among GCC countries, followed by Saudi Arabia with 6.2 percent. The lowest growth for the same period was in the UAE where the rate was no greater than 0.2 percent.

### Education

In 1985-86, the GCC education sector realized remarkable progress and development at all the various levels, as reflected by the increase in the number of schools, students, and teachers.

In this regard, the total number of public education students at the various levels for the year 1985-86 registered an increase of 8 percent over the previous year, to about 2.7 million. The number of female students grew at a rate of 8.5 percent and male students at 6.2 percent. The Sultanate of Oman had the highest growth rate of 13.5 percent over the previous year, followed by the UAE with 8.7 percent. The lowest growth was in Kuwait where the number of students grew by no more than 2.9 percent for the same year.

The GCC faculty witnessed a growth rate of 4.9 percent over the previous year, with 166,000 teachers for the 1984-85 school year and 174,000 for the 1985-86 school year. This increase, however, did not result in a drop in the average student-teacher ratio of 15:1 for the 1984-85 school year and 16:1 for the 1985-86 school year.

In 1985-86, 237 new public schools were opened throughout the GCC countries, bringing the number to 12,346. Enrollment in high schools and adult education and literacy centers for the 1985-86 school year amounted to 203,000 students, the highest being in Oman, where it grew by 123 percent over the 1984-85 enrollment.

### Electricity

In view of the importance of the electricity sector to economic and social development, the GCC countries have accorded great attention to this sector in terms of offering aid, loans, and other facilities to electricity companies. This is in addition to their participation in electricity generation via public electricity and desalination firms. They have upgraded their electricity systems at the lowest costs and in most of these countries, Saudi Arabia, the UAE and the Sultanate of Oman, electricity has been supplied to most rural areas, including villages and agricultural settlements.

GCC interest in the electricity sector has been manifested by an annual increase of 14.6 percent in electricity production for 1985 and 1986. GCC countries, excluding the UAE, produced 69.2 million megawatt hours in 1985 and 79.2 million megawatt hours in 1986. The highest growth rate in electricity production during this period was realized by Qatar, at 31 percent, followed by the Sultanate of Oman with 29.2 percent, while the growth rate in Kuwait did not go above 8.9 percent for the same period.

### Water

Besides artesian well drilling and treatment, GCC countries took an interest in the construction of water desalination plants, in addition to the development and expansion of existing water desalination projects, the construction of a number of dams, and the treatment of sewage water for agricultural purposes to meet growing consumer demands.



In 1985, GCC countries, excluding the UAE, produced about 252.9 billion gallons and in 1986 production rose by 2.3 percent to about 258.8 billion gallons.

Saudi Arabia is the biggest GCC producer of water. In 1986, it produced 174 billion gallons, followed by Kuwait with 39.1 billion gallons. It is also the biggest consumer. In 1986, Saudi Arabia consumed about 166 billion gallons, while Kuwait consumed 38.5 billion gallons. In 1986, all GCC countries together, except for the UAE and Oman, consumed 232.3 billion gallons.

As for technical education and vocational training centers, the 1985-86 enrollment in specialized institutes and vocational and technical training centers in GCC countries, excluding the Sultanate of Oman, was about 23,400 students, or a 3.43 percent increase over the 1984-85 enrollment of 22,600. Taking each country individually, Qatar recorded the highest rate of 44.1 percent over the previous year, followed by Kuwait with 10.5 percent for the same period. Saudi Arabia claimed 49.6 percent of the total GCC 1985-86 student enrollment, followed by Bahrain with 31.5 percent.

With respect to higher education, student enrollment in GCC countries, excluding the UAE, for the 1985-86 school year rose by 6.5 percent over the 1984-85 enrollment of 129,300 students, 75.8 percent of whom are in Saudi Arabian universities. There was remarkable development in higher education in the Sultanate of Oman in 1986, when His Majesty Sultan Qabus Bin-Sa'id opened the first university on 9 November 1986.

### Health

In the last few years, health services in GCC countries witnessed tangible developments. A number of public hospitals and specialized clinics equipped with state-of-the-art medical equipment and laboratories have been opened. The GCC ministries of health are intent on training and upgrading the health care manpower through secondary health institutes and training courses. Furthermore, a large number of first aid and maternal and child care centers have been opened, in addition to services offered by GCC ministries of health. Other government agencies offer health services to citizens, in addition to support and backing offered by the private sector, to build special health facilities such as national hospitals and clinics.

In 1985, GCC countries, excluding the UAE, had 169 government hospitals in addition to 1,493 clinics, health centers and national hospitals. In 1986, this number grew to 212 government hospitals and 1,888 clinics, health centers, and private hospitals.

With respect to doctors, in 1985, GCC countries, excluding the UAE, had 13,600 doctors, growing to 17,400 in 1986. Qatar recorded the highest doctor-per-person ratio with one doctor for every 606 persons, followed by Bahrain with one doctor for every 685 persons. At the

GCC level, excluding the UAE, the ratio is one doctor for every 940 persons, compared to one for every 1,099 in 1985. The number of hospital beds in GCC countries, excluding the UAE and Oman, grew at a rate of 10.9 percent in 1986 to 37,500, or one bed for every 381 persons, while in 1985 it did not exceed 33,800. This indicator was at its lowest in 1986 in Kuwait, with one bed for every 263 persons, and in Bahrain, with one bed for every 286 persons, and at its highest in Qatar with one bed for every 311 persons, approximating levels in industrialized countries. Note that it reached its highest level in 1985 in Saudi Arabia, with one bed for every 453 persons, and its lowest level in the UAE, with one bed for every 244 persons.

### Communications

The area witnessed the opening of a bridge linking Saudi Arabia with Bahrain on 26 November 1986. This bridge has been named the King Fahd Bridge and is 25 km long. It cost \$780 million to build and a public firm has been set up to manage and oversee this project.

Saudi Arabia includes the largest number of GCC ports and airports. It has 7 out of 23 GCC seaports, 165 docks and 23 out of 33 GCC airports, followed by the UAE with 6 seaports and 5 airports. GCC seaports have witnessed a drop in activity. In 1984, the number of ships coming to GCC ports, excluding the UAE, was about 25,500. In 1985, this number dropped to 23,400 with 12,300 going to the port in Bahrain and 7,000 to Saudi Arabian ports. On the individual level, there has been a drop in the number of ships going to GCC ports, save for the Sultanate of Oman which received 1,755 ships in 1984 and 1,902 in 1985.

As for traffic at GCC civilian airports, excluding the UAE, 17.8 million passengers went through these airports in 1985, a growth rate of 2 percent [as published] over 1984, when 17.5 million passengers used these airports. In 1985, passenger traffic in Saudi Arabian airports represented 60.6 percent of the total GCC traffic, but this rate reflects a 5.3 percent drop from the previous year's level. Kuwait has the highest growth rate in passenger traffic, 55 percent, while Bahrain experienced a drop of 42.8 percent from the 1984 level.

### Telephone and Post Office

Telephone and postal services have kept pace with the economic boom in GCC countries in the past years. In 1985, close to 720 post offices were opened in GCC countries, excluding the UAE and Bahrain, an increase of 2.9 percent over the 1984 level of 700 offices. Moreover, Oman, Qatar, and Kuwait had approximately 83,000 post office boxes in 1984 and this number grew in 1985 by 7.2 percent, bringing the total to 89,000 boxes, 45,000 of which are in Kuwait, 31,000 in Oman and 13,000 in Qatar.

It is noteworthy that in 1984, Saudi Arabia had 170,000 post office boxes.

## PALESTINIAN AFFAIRS

### PLO Leaders Criticize U.S. Terrorism Report

44040313 London AL-MAJALLAH in Arabic 1-7 Mar 89 p 20-23, 25, 27

[Article by Salih Qallab]

[Text] A few weeks ago, a 131-page book consisting of a report published by the U.S. Department of Defense on what it calls terrorist groups in the world appeared in the European markets. The book contains the names of scores of Asian, European and Latin American organizations which, in addition to some Lebanese organizations, include all the Palestinian resistance factions, except the ALF [Arab Liberation Front].

Even though the report offers meager information on each organization, especially on the Palestinian resistance factions, it gains its importance from the fact that it carries two introductions on its front page, the first signed last November by George Bush when he was vice president and the second signed by former Secretary of Defense Frank Carlucci.

In the introduction bearing his signature, Bush says that the purpose of this report—book—is to familiarize the U.S. people with the nature of "terrorism" and the threat it poses to U.S. national security. In his introduction, Carlucci says that the motive is to provide the Americans with detailed information on the "major terrorist groups in order to guard against their evil."

Bush notes that a similar report was prepared in February 1986 and included a number of recommendations which formed the cornerstone in the U.S. counterterrorism policy. Therefore, the new report is expected to govern, especially under the new administration, the course of the U.S. political movement on the Middle East and Palestinian situation.

The U.S. president also reveals that since 1984, his country has trained nearly 6,000 security men from 50 countries in fighting what he describes as terrorism. The president also says that the policy pursued by the United States in this area has proven its success, that the number of operations aimed against U.S. interests dropped recently, 1986-87, by 25 percent, that operations carried out in Europe in the past 2 years decreased by 31 percent, that similar operations decreased in Latin America by 32 percent last year, that two plane hijackings took place in 1986 and a single hijacking in 1987.

Bush also notes that last year, nine different countries issued sentences against members of "terrorist" organizations and that the majority of the sentences were death or life sentences. Bush further says that in 1987, "international terrorist organizations" staged 832 operations

against property and citizens belonging to 84 nationalities, that these operations killed 600 and wounded 2,000 persons and that "this was the highest figure recorded in any of the past 20 years." He also touches on operations sponsored by states and official circles, saying that they amounted to 70 operations between 1986 and 1987 and that such operations increased by 170 percent compared to the preceding period. While ignoring the official terrorism perpetrated by Israel against Palestinian women and children in the occupied territories and against Palestinian officials in foreign arenas, with martyr Abu Jihad at the forefront, the U.S. president alleges that Syria, Libya, and the Democratic Republic of Yemen are among the countries that sponsor this type of "terrorist" operation.

The report considers the Palestinian resistance operations in the occupied territories terrorist operations and Bush says in his introduction that he refuses to say that there is a thin line that separates terrorism from fighting for freedom or that this issue is debatable because freedom fighters attack military targets only.

In conclusion, the report, printed by the government printing office in Washington, noted that there are nearly 700,000 U.S. military and civilian personnel spread in all parts of the world, in addition to 400,000 others who operate independently.

Perhaps what arouses doubts in this report is that it seems from the information it contains and from the manner in which it has been published as if it is aimed fundamentally at the Palestinian resistance factions and the PLO and that it was issued at the time when Washington was abandoning the traditional positions charted by ex-Secretary of State Henry Kissinger and launching dialogue with the PLO. Even if one believes that the report was prepared in the period prior to the Palestinian-U.S. dialogue, it is evident that this period, i.e. last November, saw the most significant development in the Palestinian issue's history, namely the PLO's recognition, through the special session the PNC [Palestine National Council] held in Algiers, of Security Council Resolutions 242 and 338, its rejection of terrorism and its acceptance of Security Council Resolution 181 which provides for the presence of two states in Palestine, one Palestinian and one Jewish.

Viewing it from this angle, a number of Palestinian officials have characterized the report as a report prepared by the Israeli intelligence agencies and have said that its sole objective is to distort the PLO's reputation, to undermine the occupied territories' Intifadah which clings to the PLO as its representative and to influence the PLO-U.S. administration relations. These points are confirmed by Bush's, and then Carlucci's, admission that the report is addressed to the U.S. people and U.S. public opinion primarily and that what is intended is a new brainwashing operation to eliminate the given facts established by the occupied territories' Intifadah and by the recent developments [as published].

Upon examining the contents of the report itself, especially the part concerning the Palestinian side, the first thing that draws attention is that its information is confused and old, that it lumps all the Palestinian factions together, and that those who prepared the report had planned not to exclude any of these factions, with the exception of the ALF which was perhaps omitted accidentally or because of forgetfulness.

What reflects the report's confusion is that it lists Fatah and the Democratic Front among the organizations it calls "terrorist," while showing that these two organizations have engaged in no external activity. Meanwhile, the report disregards that external operations are the cause of the historical disagreement between Dr George Habash, the PFLP [Popular Front for the Liberation of Palestine] secretary general, and Dr Wadi' Haddad, Habash's former aide in the early 1970's. Dr Habash views such operations as a burden to the Palestinian struggle movement whereas Dr Haddad views them as fundamental for fighting Israel and the United States. Even though it has become obvious that the PLO, and Fatah in particular, contributed effectively to providing protection for U.S. citizens and the Jewish community in Beirut during the most violent years of Lebanon's civil war, the report fails to note these facts closely or remotely.

However, these given facts have motivated AL-MAJALLAH to discuss and refute this report so as make its readers aware of the extent of the Zionist influences inside the U.S. administration and of this administration's partiality to Israel. AL-MAJALLAH has translated fundamental passages from the report, especially from the part concerning the Palestinian factions, such as Fatah, the Popular and Democratic Fronts, the Palestine Liberation Front, the Popular Front-General Command, the Popular Struggle Front and al-Sa'iqa organization.

To shed more light on the report, on its motives, and on the objective behind its preparation and publication at this particular time, AL-MAJALLAH has contacted and interviewed a number of prominent Palestinian officials on this issue. The following report covers various aspects and numerous viewpoints.

Salah Khalaf (Abu Iyad), whose picture is published by the report which characterizes him as the PLO's number two man behind Yasir 'Arafat, has answered AL-MAJALLAH's questions on this report as follows:

[AL-MAJALLAH] What motivated the U.S. administration to issue this book at this particular time?

[Khalaf] I believe that the book was prepared prior to the PLO dialogue with the U.S. administration. However, its publication at this particular time shows that the Zionist influence centers which have reached the State Department under the new administration have begun to move forcefully to obstruct this dialogue and to prove to the

U.S. public opinion that the PLO is a terrorist organization. The most serious aspect of this book is that it bears the signatures of President George Bush and of former Secretary of Defense Frank Carlucci.

[AL-MAJALLAH] What is your opinion of the information it contains?

[Khalaf] In what concerns the principal organizations in the PLO, Fatah, the Popular Front and, the Democratic Front, I think the information about them is confused and incorrect. It is based on previous reports prepared by the Israeli Mosad which were distributed to many western embassies.

[AL-MAJALLAH] What about the other organizations? Is the information about them correct?

[Khalaf] I am speaking of the organizations existing within the framework of the PLO. They are committed to the resolution we issued in 1974 which forbids the undertaking of any external operation. The Cairo declaration of 1985 reconfirms this matter.

[AL-MAJALLAH] However, the report speaks of operations against Israel and considers them to be terroristic.

[Khalaf] There is a difference between terrorism and legitimate struggle as they are defined by the United Nations agreements. While we condemn and reject terrorism, we reserve our right to resist the occupation of our lands. This is a right from which it is not possible to dissuade us as long as Israel does not withdraw from the occupied territories. Here it is necessary to point out that we do not agree with any operation that targets civilians.

[AL-MAJALLAH] Even if it is an operation within the occupied land?

[Khalaf] That is correct, yes, even within the occupied land.

[AL-MAJALLAH] The report notes that the Black September organization belongs to Fatah.

[Khalaf] The Black September organization emerged in the wake of the well-known incidents of September 1970 [in Jordan]. It carried out a number of operations and then disbanded itself in 1974. In any case, it had no close or remote connection with Fatah movement.

[AL-MAJALLAH] In light of what the book says, do you think, regardless of whether the current Palestinian tendencies succeed or fail, that the activities which the United States calls "terroristic" will increase in the coming period?



[Khalaf] The issue is not the book. The book is written by Zionist hands and signed by American hands. The issue is that the U.S. policy continues to be completely biased in favor of Israel. This biased policy puts weapons in the hands of radicals of every hue.

[AL-MAJALLAH] Is it true that the United States has blacklisted a number of Palestinian officials and that your name is on this black list?

[Khalaf] This is absolutely untrue. We have been not been officially notified of any thing of the sort. It is certain that the Zionist advocates that wish to obstruct the Palestinian-U.S. dialogue are the ones which have leaked such rumors.

[AL-MAJALLAH] But it is said that the dialogue has been halted?

[Khalaf] The dialogue has not halted but has been merely frozen. I believe that the reason is that the U.S. administration is waiting for Israeli Prime Minister Yitzhak Shamir's arrival. The issue is not suspension of the dialogue but the tendencies that have begun to surface, including the latest U.S. "veto."

Following is the interview with Abu-al-'Abbas, the PLF [Palestine Liberation Front] secretary general, on the U.S. report:

[AL-MAJALLAH] The report issued by the U.S. administration on the so-called terrorist groups mentions the PLF as one of these groups. What is your opinion of the report's contents?

[Abu-al-'Abbas] I believe that publishing this report at this particular time when all eyes are focused on completing the U.S.-Palestinian dialogue reaffirms the U.S. administration's determination to be completely biased toward Israel even though world and U.S. public opinion has, through the pictures transmitted daily on Israel's practices in the occupied territories, come to realize who is the terrorist and who is the freedom fighter. This report is an obvious attempt to conceal the official Israeli terrorism.

[AL-MAJALLAH] The report accuses your front of carrying out a number of external operations. What is your opinion?

[Abu-al-'Abbas] The PLF has carried out absolutely no external operations against either Israeli or U.S. targets. Even in the so-called case of the Achille Lauro, it has become certain that the objective was to get to occupied Palestine.

[AL-MAJALLAH] Does this mean that you are opposed to external operations?

[Abu-al-'Abbas] We have carried out no external operations and we don't plan to carry out such operations. The PLO considers the Palestinian homeland's arena the main struggle arena and believes that Israel must be confronted in this main arena.

[AL-MAJALLAH] Regarding the territories occupied since 1948, do you consider them a part of the main struggle arena or do you view this arena as consisting of the West Bank and Gaza Strip?

[Abu-al-'Abbas] We certainly consider the territories occupied in 1948 a main part of the struggle arena because Israel is the base of aggression in the area.

[AL-MAJALLAH] What is your view of the Cairo declaration issued in 1985? Are you committed to it?

[Abu-al-'Abbas] We support this declaration and we are committed to it because we are basically opposed to external operations that may harm innocent people who have nothing to do with the area's conflict.

[AL-MAJALLAH] Do you consider operations in or across South Lebanon external operations?

[Abu-al-'Abbas] There is an Israeli military occupation of South Lebanon and daily raids are carried out against our people's camps in Lebanon's territories. How can we be asked to stop fighting and defending our people's children? If the Israeli settlements in the northern occupied Palestine are what is intended, then everybody knows that these settlements are tantamount to military camps and bases. This is why we consider them military targets while stressing that we aim at the conventional military sites primarily.

[AL-MAJALLAH] The U.S. report says that your front makes no distinction between U.S. targets and Israeli targets. Is this true?

[Abu-al-'Abbas] This is untrue. It seems that they rely for their information on people who do not know the arena well. We do not put the U.S. and Israeli targets in the same basket. Since its inception, the PLF has not struck a U.S. or a European target. Israel is our immediate target. By the way, we are strong supporters of the dialogue which has been begun between the PLO and the U.S. administration.

[AL-MAJALLAH] The Achille Lauro operation was carried out during ex-U.S. President Ronald Reagan's administration. Do you expect anything good from the new Bush administration?

[Abu-al-'Abbas] The truth is that when the U.S.-Palestinian dialogue began, we had great hopes that the Bush administration would take major steps in the direction of recognizing the Palestinian people's rights.



Following is the interview with Nayif Hawatimah, the DFLP [Democratic Front for the Liberation of Palestine] secretary general, on the U.S. report:

[AL-MAJALLAH] The U.S. Pentagon has included the DFLP with what it calls terrorist movements. What is your opinion?

[Hawatimah] With its ignorance of the Middle East, the U.S. policy is founded on organized state terrorism against the Palestinian people and the other Arab peoples. This is represented in the support for the Israeli policy of oppression and expansion in the occupied territories. Perhaps the latest U.S. veto at the Security Council is the biggest proof of the hostile position that has persisted against the Arab people and nation for 40 years. Through our fundamental position among our people who celebrated a few days ago the anniversary of the inception of our front as a Palestinian national holiday, we in the DFLP reaffirm the proven fact for which we are known internationally, namely that we reject all forms of terrorism. In 20 years, history has not recorded against us a single individual terrorist operation in any part of the world beyond the occupied Palestinian territories.

From our ideological position, we believe that the Palestinian people must rely on their organized collective action and on their own strength to liberate their homeland and that they must reject exhibitionary individual operations, regardless of how big they are, because such operations obstruct their path of struggle and distort their international reputation. I stress here that the DFLP was the party behind the resolution the PNC adopted in 1974 condemning all forms of terrorism in accordance with the UN resolutions and with international legitimacy.

[AL-MAJALLAH] It is said that the DFLP works to overthrow Arab regimes through revolutionary methods...?

[Hawatimah] These are false and groundless statements that violate the truth. It is well known that the DFLP operates among the Palestinian people's ranks only and that it has no extensions in any other Arab country. We do not interfere in the Arab countries' affairs. We focus our efforts among our people's sons. I again say the record shows that in 20 years, we have not perpetrated any act against the Arab regimes.

[AL-MAJALLAH] You are also accused of supporting the Soviets and antagonizing U.S. policy in the area.

[Hawatimah] This is an old song and dance whose purpose is to justify the occupation and the colonialist presence in the area. The truth is that the PLO, with all its factions and through all its PNC resolutions, considers the Soviet Union a friendly country because it supports our people's cause, the international conference, and our people's right to self-determination

whereas throughout 40 years, we have seen from Washington nothing but disavowal and total partiality to our enemy. The policy that governs our position in the DFLP and in the PLO generally is founded on the basis that whoever does not oppose us is with us. In view of the fact that the Soviet Union is not against us, it is with us.

To find out the Palestinian leadership's views on the said U.S. report, AL-MAJALLAH contacted the PFLP [Popular Front for the Liberation of Palestine] leadership in Damascus by telephone and conducted the following interview with Sabir Muhyi-al-Din, the PFLP information official:

[AL-MAJALLAH] Washington accuses you of opposing the proposed peaceful solutions to settle the Arab-Israeli conflict. What is your opinion?

[Muhyi-al-Din] I believe that the report seeks fundamentally to hurt the Palestinian people and the PLO. It also seeks to block the path of the growing international sympathy for our people's just rights, especially in the wake of the occupied territories' Intifadah, by fabricating untruths and by insisting on falsely and unjustifiably accusing us of terrorism. The facts show the opposite of this accusation. While stressing that armed struggle is the main form of struggle and that this struggle is acknowledged by international legitimacy, the PFLP adheres to the need for holding a fully-empowered international conference.

[AL-MAJALLAH] They also accuse you of supporting the world's "terrorist" movements?

[Muhyi-al-Din] This is nothing new. We are tired of hearing this tune whose objective is to confiscate world public opinion's sympathy for our people. I stress that the PFLP has not and does not offer any aid or assistance to any organization engaged in terrorism and that, to begin, it has no relationship with any such organization.

[AL-MAJALLAH] The report also notes the external operations and the acts of infiltration from South Lebanon.

[Muhyi-al-Din] As of 1972, the PFLP declared explicitly that it had made a decision to end external operations against all civilian targets, both Israeli and non-Israeli. As for political action emanating from South Lebanon against Israeli economic and military installations, it will undoubtedly continue. We consider our struggle against the enemy in the occupied Palestine and across the Arab borders legitimate action.

[AL-MAJALLAH] Does this mean, as the report says, that you are opposed to the Cairo declaration.

[Muhyi-al-Din] We are actually opposed to this declaration. We made this opposition clear in a statement issued by the Political Bureau and in other statements and articles published by AL-HADAF, the PFLP organ. But

I must point out that we are opposed to killing civilians, be they Israelis or Americans. In our military operations at home and across the borders, we try as hard as we can to avoid victimizing civilians. In conclusion, what I am eager to stress is that the Palestinian-U.S. dialogue which has been imposed by the Intifadah, as well as by Washington's isolation, has not changed the past U.S. positions of hostility to our people. We believe that the U.S. administration is using this dialogue to blackmail the PLO so that it may meet Israeli and U.S. objectives and requirements in the area.

## EGYPT

### **Financiers Discuss Interest Rate Increase** *45040208 London AL-HAWADITH in Arabic* *10 Feb 89 p 48-49*

[Article by Mahmud Salim: "Monetary Fund Mandates Egyptian Pound Interest Rate Hikes"]

[Text] The question of whether to raise Egyptian bank interest rates is presently drawing great attention from economic circles in Egypt.

The question has been at issue for several months, but a decision on it has yet to be made. Central Bank Governor Dr Salah Hamid will not issue a decree until he has considered all suggestions, pro and con, and studied all ramifications. He holds discussions with those who have opinions on the subject and meets now and again with bank presidents in the private, public, and joint sectors.

That is how things now stand, but most officials believe that a decision is imminent and that bank rates on deposits and loans will increase by 2 to 3 percent, to about 15 percent for deposits, and between 18 and 20 percent on loans, depending on economic activity.

That belief is supported by a long-standing IMF mandate for such a hike. The Egyptian government, however, has put aside a decision on the matter until it has finished studying the economic impact of such a move.

Chronologically, the story began when Egyptian Prime Minister Dr 'Atif Sidqi ordered the formation of a commission, chaired by former Economy Minister Dr Hasan 'Abbas Zaki, to study bank interest rates. The step came on the heels of a meeting on this issue between the prime minister and presidents of four public sector banks—Al-Ahli Bank, Misr Bank, Cairo Bank, and Alexandria Bank—and of other joint and private sector banks.

Several meetings, some attended by Dr 'Atif Sidqi and most attended by Central Bank Governor Dr Salah Hamid, concluded that to attract bank deposits it was necessary to raise interest rates through such measures as new high yield bonds.

The commission, chaired by Dr Hasan 'Abbas, said in an important report that interest rates for deposits and savings should be raised by 2 to 3 percent, while interest on bank financing of economic activity should be raised by half that proposed rate. This would shield projects, especially those in the industrial and agrarian sectors, against additional debt service burdens. The commission recommended that banks absorb the rate differential.

The commission further proposed that new guidelines be issued on long-term interest rates in order to encourage long-term capital investment, especially in productive endeavors.

Dr Zaki presented the commission's report to the Central Bank governor, who in turn submitted it to the prime minister, who then began a new round of discussions with several concerned ministers, including economy minister Dr Yusri Mustafa and finance minister Dr Muhammad al-Razzaz.

At the Central Bank, Dr Salah Hamid continues to think out the issue in a deliberate fashion. He believes that a decision must be preceded by a study of the volume of savings which could be attracted to Egyptian banks by the process of raising interest rates. It is also necessary to study the investments that these savings might finance. A decision must therefore be methodical, especially since raising interest rates on deposits would mean an increase in loan interest, which could have an impact on investments.

That is the Central Bank's position. Other bank presidents and officials, however, are divided in their support for or opposition to higher rates.

A staunch proponent is Dr Fu'ad Hashim, former economy minister and president of the Arab Investment Bank. He urges a 5-percent increase in interest rates. He pushes for the hike but leaves to the authorities whether to effect that increase gradually or all at once. He deems it illogical for bank interest rates to remain unchanged for several years, regardless of economic fluctuations.

To those who believe that an increase in deposit interest rates would push up rates on loans to investors and lead to higher producer prices, Dr Hashim responds that the prices on products of these concerns rise every so often, without corresponding increases in debt interest or other costs. Keeping interest rates unchanged in this fashion is not acceptable, because banks will not be able to attract savings.

Another supporter of higher rates is Dr Muhammad Hasan Fajj al-Nur, chairman of the Capital Markets Authority. He believes that higher rates would provide to savers suitable outlets for their funds at a time when the rate of inflation is high and out of sync with interest rates. He supports higher interest rates and is also in favor of high yield bonds with rates as high as 20 percent. Relevant recommendations made by the money market

authority include issuing pound-denominated bonds in exchange for dollars. Such high yield bonds are to be made available not as certificates of deposit, but as 5-year financial securities issued by the Egyptian Government or public sector banks and registered with the securities exchange. Other securities may be issued from time to time depending on market conditions.

Dr Fajj al-Nur advocates that such securities be totally tax exempt in order to attract savings and entice Egyptians at home and abroad to exchange their foreign funds into pounds and consequently bolster the domestic currency.

Just as higher interest rates have supporters, they also have opponents who say: No, current rates are reasonable. Higher rates would lead to higher prices for goods in the marketplace.

'Ali Najm, former Central Bank governor and president of Union de Banques Arabes et Francaises (UBAF) says that savings are desirable but not through higher interest rates. Present rates are suitable, and it would be unreasonable to seek interest rate parity with the current inflationary rate of 25 percent or higher.

Mahmud 'Abd Allah, president of Cairo Bank, believes that higher interest rates would initiate a vicious circle of higher debt cost and consequently higher prices for products of bank-financed projects. It would be an uncontrollable vicious circle.

Others qualify their support of higher bank rates.

Muhammad 'Uthman Taha, director-general of the Association of Egyptian Banks, supports higher interest rates provided the increase is higher for deposits than it is for loans. That would accomplish two goals: encouraging savings through higher returns and avoiding added burdens on bank-financed projects by allowing a smaller increase in debt cost. He suggests a 2.5-percent increase in deposit interest rates and a 1.5-percent increase in loan interest.

The same view is shared by Sayyid Abu al-Layl, director of marketing for Bank Misr, who advocates a sizable increase in deposit interest and a lesser increase in interest on loans, the difference to be covered by annual surpluses realized by the banks.

What do Egyptian businessmen think?

Yasin Imam, vice president of the importers association, says that higher rates would indeed stimulate savings, but the banks would also have to impose an equal increase on the interest they charge borrowers. These clients would then raise the prices of their products, and so on. He went on to say that he favors leaving things the way they are.

Majdi Khalifah, a member of the association of Egyptian businessmen, who works in the construction sector, believes that all potential effects of higher rates should be carefully explored. How much savings will banks attract with higher interest rates? Will there be investments to be financed by these savings? What role will the rate increase play in reducing market inflation? All these factors must be thought through before a decision can be made on Egyptian bank rates.

In general, he believes that interest rates should not remain fixed, but should fluctuate with variations in the Egyptian economy.

'Abd al-'Aziz 'Abd al-Nabi, a member of the association of Egyptian businessmen and chairman of the Egyptian-Hungarian Business Council, believes it is necessary to raise interest rates to increase the volume of savings deposited with banks. He says, however, that this would have a negative impact on bank borrowers. He therefore suggests that banks contain costs, increase interest rates for deposits but not on loans, and charge the difference to their margins, which is about 3 percent. He observes that banks, especially joint ones, pay fantastic salaries and make outlandish expenditures.

Muhammad Shafiq Jabr, vice president of the Egyptian-American Chamber of Commerce in Cairo, believes that bank interest rates should be hiked to be more in line with the current rate of inflation and should be adjusted according to economic conditions.

He says that bank interest rates throughout the world are continuously moving higher or lower in response to market conditions. It is not reasonable to maintain interest rates in Egypt unadjusted, despite a high rate of inflation. We must respond to our economic conditions with a higher degree of flexibility and freedom of movement in light of a continually evolving world economy.

Above is a sampling of viewpoints held by officials, bankers, and businessmen. Some support higher rates, other oppose them, and still others conservatively qualify their support. The final say, however, belongs to Egyptian monetary authorities.

The final say will be governed by various considerations currently under discussion by Egyptian Central Bank Governor Dr Salah Hamid who is known for very careful deliberation in order that his decisions be as sound as possible. Viewpoints will clash and guesses will be plentiful until that decision is made.

**More Support Given to Poultry Industry**  
45050231B Paris AL-MUSTAQBAL in Arabic  
18 Feb 89 p 35

[Text] In Egypt, \$25 million are to be spent per month to import fodder and all requirements pertaining to the poultry industry. It has been decided that loan disbursement by banks to the largest number of farm owners will be facilitated, and investors in this field will be encouraged, on condition that the loans be used for the intended purposes.



These decisions resulted from meetings recently held to solve the problems that stand in the way of increasing production in the meat and poultry production sector. The meetings were presided over by the Egyptian prime minister, Dr 'Atif Sidqi.

Sidqi said that the concerned parties began a while ago to prepare a list of large amounts of debts owed by the owners of chicken farms, especially the serious farmers, who make up 85 percent of them. Also, the disbursement of loans to the greatest number of farm owners possible will be facilitated, consistent with sufficient guarantees from the banks.

Sidqi affirmed that the government decisions with respect to the poultry industry aim at increasing production and encouraging investors in this field. He said that there is a decree to halt the importation of chickens from abroad to encourage the private sector to develop this industry, and that the Ministry of Supply will not import chickens from abroad except when it is necessary to create a kind of balance in prices for those of limited income.

The prime minister said that the most important problems that plague the poultry industry in Egypt were reviewed. Foremost of these are haphazard projects that are carried out without sound economic studies and preparation, and the failure of some farm owners to use special purpose loans which may be available. These owners constitute about 15 percent of the large poultry producers.

#### **Botanist Suggests Strategy To Fight Crop Wastage**

45040231A Cairo AL-ARD AL-TAYYIBAH in Arabic  
Oct/Nov 88 p 44-47

[Article by Dr Nadiyah (Zikri), head of the plant protection section of the National Research Center: "Strategy for Combatting Pests and Reducing Wastage in Agricultural Crops"]

[Text] Our beloved Egypt is in an extremely critical situation that calls for the meshing of efforts in diverse fields in order to increase production, for there is no other way to protect our country and to work for its advancement and prosperity other than to increase production in diverse fields. Agricultural production is one of the important mainstays of national production, if not the very most important, since upon it is built the advancement or prosperity of various different fields. The issue of food security has come to be on a par with issues of military and economic security, which has prompted the United Nations to establish the World Food Council to combat the problems which confront the increasing millions of people day after day. Providing food demands great efforts of everyone working in the various areas of specialization.

One of the essential mainstays of reducing wastage in agricultural crops, in the attempt to provide food to every mouth, is the protection of crops and pest control.

The problem of plant protection has been known since the first human discovered agriculture and left a life of hunting. The sights of the first world have now turned towards protection of the environment, utilization of natural materials, and protecting plants to reduce wastage, with the goal of providing a better life for the population and for future generations. The population count was up to about 5 billion persons in 1985, and it is continuing to increase at a rapid pace, such that it will be up to about 17 billion in the year 2000. In the developing countries, the population equals about three-fourths of the total world population, and providing food in these countries is considered one of the biggest problems that they face.

The basic solution to the problem of food in the world can be summed up as follows:

1. Overcoming population increase with birth control.
2. Economic growth.
3. Increasing production by way of agricultural operations and pest control.

#### **Current Situation, Changes That Have Befallen the Egyptian Environment, Effects on Pest Control**

In Egypt there is a food gap that is attributable to several factors:

1. The large increase in population: It has become clear that the population is increasing at unparalleled rates. The population of Egypt has doubled in less than 40 years, from about 20 million persons in 1950 to 50 million in 1988, with a child being born every 40 seconds. If the situation continues thus, we will approach 70 million persons in the year 2000, and this constitutes a burden on any economic development projects. Indeed, in the face of it, any increase in the yield of a feddan comes to naught.

2. The scarcity of arable land: The arable land upon which we live is scarce. It is about 5.9 million feddans, and represents only about 4 percent of the entire area of Egyptian territory.

3. Egypt depended entirely on its agricultural production until 1960. However, during the past 20 years, with the continuous increase in population, our agricultural production has become less than actual consumption by the population. Therefore, Egypt has resorted to importing principal crops, such as wheat, broad beans, and the like.



5. [number as published] Backwardness of farming methods and tools: Farming methods and tools are still primitive to a large extent, such that they are in urgent need of development, using science and technology in integrated rural development.

6. The fragmentation of farm property represents a great obstacle to developing and modernizing agriculture.

One of the main problems is the fragmentation of farm property, which prevents the use of modern farming means and methods and makes it impossible to utilize the land economically.

7. Bad crop storage: The prevailing methods of storing crops used by the farmers in Egypt at the present time are backward to a large extent. That holds true for the storage methods that are followed by government establishments and food preservation plants, but to a lesser extent. Grains are loaded into sacks then thrown into uncovered piles, and doubtless storage in this manner causes the loss of a large quantity of the grain, since it would be subject to loss due to changes in the weather, insects, rodents, bird attacks, or decay.

8. Dependence on a fixed crop structure does not meet the needs of local consumption.

9. The use of a large portion of production for feeding livestock: There are up to 6 million animals in Egypt, including goats, donkeys, buffalo, cattle, and horses, that feed on clover, which is of two kinds:

- Permanent clover, which is grown on 1.6 million feddans annually.
- Sown clover, which is grown on 300,000 feddans a year.

This means that the animal share of the produce of crop lands exceeds the human share, since the area that livestock feeds on is about 50 percent of the crop land.

From all that has preceded we see that Egypt is concerned about a food crisis, just as the whole world is. In fact, Egypt gives it special attention, because the volume of production of foodstuffs does not meet consumption needs. Moreover, the rise in prices of foodstuffs in recent times has made the process of importation a heavy burden on the government.

Egypt has initiated practical solutions to these problems with a new revolution in the world of agricultural development, inasmuch as it has begun to emerge from the restricted Nile valley to a broader, more spacious world. Among the most important of these solutions are:

1. Conquering the desert (horizontal expansion): where there are millions of feddans that are suitable for agriculture, and underground water filling the earth's interior, which many of the world's countries depend on in the horizontal expansion of agriculture.

2. Crop intensification (vertical expansion): which is carrying one crop upon another. Examples of that are carrying onions on cotton, cucumbers on tomatoes, and soybeans on sorghum.

3. Protected plantings, which is a way of growing crops of vegetables, flowers, or fruits in plastic tunnels or in greenhouses that have an internal climate that can controlled to ensure the appropriate temperature and humidity, and that also protect the plants from winds, sandstorms, and rain.

Conquering the desert, crop intensification, and protected plantings each will generate many and differing problems with respect to pests during production.

4. The problems of protecting the plants during storage and transport will increase in the future as a result of the increase in production in Egypt.

5. The various methods of irrigation in Upper Egypt since the building of the High Dam, and turning flood irrigation into constant irrigation, have created new pest problems.

6. In the past 10 years the labor force has shrunk due to the migration of workers to Arab countries.

7. The use of pesticides in control operations is still essential to the effort to increase the yield of a feddan and reduce the proportion of wastage in the crop. All these previously mentioned factors will certainly increase the burden on scientists and workers in the field of plant protection in Egypt's future.

#### Plant Protection Problems

1. Pest problems: Pests are undesirable insects, acarids, plant diseases, nematodes, rodents, and certain other organisms which reduce crop production in Egypt. So far there are no satisfactory estimates of the amount of annual crop losses, but experts in the field of plant protection agree that annual losses exceed 25 percent of total production.

2. The state of pesticides currently in use: In recent years farmers have used large quantities of chemical pesticides to prevent or reduce production losses due to pests. About 30,000 tons of chemicals with a value of \$130 million are used annually in pest control operations. Insecticides are considered the prevailing group of pesticides that are used for control operations. Pesticides used on the cotton crop represented about 75 percent of the total pesticides used on other crops in Egypt. Most of these pesticides were imported from abroad, but the

importation of some of the regularly imported products has been cancelled, or a severe ban has been put on their use, because they are not registered for use in the production area. Even though the Egyptian government has enacted laws on the importation and use of chemical pesticides, it lacks the framework to regulate their use, just as we fall short in informing the farmers of the ideal and safe manner of using the pesticides.

In spite of the constant concentration on the use of pesticides, pests still constitute a serious threat, and because of them Egypt loses millions of pounds a year. Moreover, the continuous use of pesticides has caused many other problems. In the past 20 years scientists all over the world have warned against excessive use of pesticides in pest control programs because of the environmental pollution that they cause and the direct harm to man and animal. Many estimates were made in the United States on the problems arising from the excessive use of pesticides, and they finally recommended that the use of DDT be ended, and strong warnings were made against some hydrocarbon compounds. The problems arising from the misuse of pesticides can be summarized as follows:

1. The appearance of strains of the pest that are resistant to the action of the pesticide.

2. The sudden appearance of secondary pests in significant numbers, that is, numbers that could cause economic harm.

3. An adverse effect on other organisms, which can be classified as follows:

- a. An effect on natural enemies (predators and parasites).
- b. A toxic effect on bees and pollinating insects.
- c. An effect on other organisms.

4. The threat of pesticide residues on human health and the environment.

5. The direct danger from using pesticides.

#### **The Bases of Successful Pest Control**

With the expansion in the use of pesticides in pest control came the afore-mentioned problems. To limit the misuse of pesticides, it was decreed that programs be followed that combine several applied control methods and the use of pesticides. At the same time, natural enemies can be used to advantage in order to obtain the most appropriate results in control. That is what is called integrated control, and it also takes into consideration that 100-percent control of the pest is not necessary in order to prevent economic harm. For the success of integrated control, which limits the use of pesticides, the following considerations must be taken into account:

1. We must study the insect we want to control, as well as its natural enemies, from biological and environmental aspects, in order to discover the natural factors which regulate the pest count, and the role played by vital factors. Also, these studies must be based firmly on statistical data; that involves the method of gathering a representative sample, and estimating the effect of various environmental factors with the aim of predicting the extent of the attack in the coming season.

2. It is necessary to know the critical economic level at which use of pesticides becomes necessary.

3. The transfer of modern technology or integrated control methods to the farmer: In this case the farmer cannot be persuaded to change his pest control methods from the traditional method with pesticides to the use of integrated control methods, unless he is absolutely convinced that this new method is rewarding, that is, cheaper, and that it also gives a large economic return.

4. If it is necessary to use pesticides in control operations, then specific pesticides must be used that affect the pest but not its natural enemies.

5. The pesticides must be used at the lowest dose possible, and attention must be given to proper timing when doing chemical control.

6. Using alternate pesticides, such as vegetable pesticides, natural control, juvenile hormone analogues, genetic control, and pheromones.

The current situation with respect to the use of integrated control programs in Egypt as a means to reduce crop losses:

- An example of that is the system of integrated control of cotton pests.
- The system begins with gathering of cocoons (lat'ah) [a cotton pest] by the farmers' children. "About a million children at the start of the season gather cocoons of the cotton worm."
- Control operations with pesticides are carried out only if environmental studies establish that the cotton leaf worm will comprise a threat at the end of the season.
- The government still uses pesticides as protective sprays on the cotton crop to protect it against bollworm, even though the control program recommends that the use of pesticides be reduced whenever possible.

#### **Recommendations Necessary for the Success of the Integrated Pest Control Program**

1. Cooperation of agencies and individuals: There are many scattered efforts in the field of pest control, moreover, there is much duplication of effort in Egypt.

Therefore, the public agencies must cooperate and mesh so as to help build an integrated plan, and these agencies must include all specializations.

2. Provide means and modern installations to help implement the control programs.

3. Provide all modern scientific sources, and use the computer to analyze the results. In addition, individuals must be trained in the use of the computer.

4. Estimate crop losses: Control operations should not be started haphazardly unless it is established that the rate of attack by the pest exceeds or has reached the critical economic level of attack.

5. Training: In order for the control system to succeed, trained individuals are required in various fields, such as the economics of pest control, computers, biological control, administration of the use of pesticides, and others. The farmers themselves must also be trained in the ideal and safe use of pesticides, and how to recognize the pest, and they must be persuaded to follow alternate methods of control instead of pesticides.

6. Watching for and recognizing pests in Egypt: Operations to recognize pests are poor, especially among farmers.

7. Agricultural quarantine: One of the most important steps is giving attention to agricultural quarantine measures to protect crops from alien pests which come from outside, and responsible persons must be trained in agricultural quarantine.

8. Legislating the use of pesticides: The supreme committee for pest control in the Ministry of Agriculture and those responsible for enacting laws on regulating the use of pesticides are all responsible for permitting pesticides, giving proper guidance as to their use, analyzing their residues in the environment and in food and human tissues, the storage and uses of pesticides, and the diagnosis and treatment of pesticide poisoning.

#### **Columnist Details U.S. 'Animosity'**

JN2003114589 Cairo AL-JUMHURIYAH in Arabic  
18 Mar 89 p 5

[Article by Sa'd-al-Din Ibrahim: "America's Apprehension Over the New Arab Renaissance"]

[Text] Many conflicting signals have emerged from the United States recently. Most of them are hostile. The recent signal was stopping part of the U.S. aid to Egypt in the form of liquidity under the pretext that Egypt did not abide by the IMF instructions. Almost on the same day, THE NEW YORK TIMES, the largest American newspaper, wrote that Egypt is building a factory for producing internationally-banned chemical weapons.

The timing of these two signals coincides with the visit to West Europe by President Mubarak. It seems that the objective is to stop or slow down the independent Egyptian impetus on the Arab, regional, and international levels. Through these two signals, America wants to tell Egypt that it is "a satellite state." It wants to keep Egypt in the American orbit and to deprive it of any independent movement.

Perhaps affected by the Zionist lobby, it seems that the United States began to fear the features of the new Arab renaissance that started at the Amman summit in November 1987. In the beginning, America did not attach any importance to the Amman summit resolutions in light of the records of previous Arab summit conferences. The previous resolutions were mere announcements and resolutions on paper that were not implemented.

Also, when the popular Palestinian intifadah [uprising] erupted against the Israeli occupation only 1 month after the Amman summit, the United States believed that it would only continue for a short time, like previous Palestinian uprisings.

When Iraq triumphed in the al-Faw battle, the United States did not think that this victory would be followed by a swift series of Iraqi military victories foretelling Iran's complete military collapse.

The United States was surprised by the independent Jordanian decision to terminate the legal and administrative ties with the West Bank. The American strategy relied on keeping Jordan as a card for its escape from any genuine move to resolve the Palestine question.

And then the Palestinian state was declared and 100 countries recognized it.

Thus, the Arabs made consecutive independent achievements throughout 1988 and at the beginning of 1989. The recent achievement was the launching of the Arab Cooperation Council comprising Egypt, Jordan, Iraq, and Yemen as well as the Arab Maghreb Union comprising Morocco, Algeria, Tunisia, Libya, and Mauritania. These are forms of Arab regional cooperation that might lessen Arab subservience to America and the West in general.

America was surprised at these swift developments in the Arab arena and the Middle East. Despite what is being said about the strength and efficiency of the American intelligence, monitoring, and analysis organs, they are full of gaps and color blindness. These organs are always incapable of predicting the moves of the peoples and sometimes the governments' moves, in spite of all aspects of infiltration into these governments. What increased the failure of the American decisionmaker in comprehending the Arab achievements throughout 1988



was the preoccupation with the presidential election campaigns on the one hand and the cover which Israel is trying to put over the eyes of the American offices on the other.

All that has been issued by the United States recently—except for one thing which we will discuss later—expresses the overt and covert animosity toward the achievements of the new Arab renaissance. Let us look at some of the signs of this animosity.

### **The Campaign Against Iraq**

No sooner had Iraq started to score victories in the Gulf War than the United States and Western quarters began to show signs of fear. In spite of the West's hatred of Iran, it was apprehensive of an Iraqi victory and what this would mean in terms of the emergence of Iraq as a regional power in the Gulf region. The ideal state of affairs according to the U.S. point of view was that the two parties must come out as losers, or that the war would be halted without either side achieving victory. But since the Iraqis' performance has foiled the U.S. calculations, the western powers started to exploit any mistake committed by the Iraqi command to launch a hostile media campaign against it so as to frighten Iraq, make the world turn against it, and cut it down to size. From this premise, reports and statements from Washington and other western capitals were issued on Iraq's recourse to chemical weapons and its violation of human rights. The issue here is not whether Iraq has or has not done what it was accused of. We are also not defending Iraqi conduct. The issue is one of timing, the method of selection in levelling accusations, and launching hostile campaigns. For example, Israel possesses nuclear and chemical weapons. It violates human rights in the occupied territories in broad daylight in a collective and individual manner. In spite of this, no condemnations or hostile campaigns similar to those launched by the United States against Iraq following its military victories have been recorded.

### **The Siege of the Intifadah**

The United States pursued its efforts to abort the heroic Palestinian intifadah. It opposes any measure by the United Nations condemning Israel, and continues to provide Israel with financial and military support. It even increased this assistance last year. More than this, it tried to prevent Yasir 'Arafat from addressing the world from the rostrum of the United Nations in New York by refusing to grant him an entry visa to the United States, something which was denounced by the world at large. As a result of this, the UN General Assembly session was transferred to Geneva to allow Yasir 'Arafat to address it.

### **The Attempt To Kill European Peace Initiatives**

The perpetuation of the heroic Palestinian intifadah and the exposure of Israel's ugly face to world and U.S. public opinion have had many results. Some of these

results consisted of the intensification of European activities, the launching of successive initiatives in support of the Palestinian people's right to self-determination, and the efforts Europe exerted to convene the international Middle East peace conference. The United States tried to abort this European support for the intifadah, and to also abort the peace initiatives. The first mission of the new secretary of state in the Bush administration had been to leave for Europe to put pressure on it to reduce its support in this respect.

### **The Suspicious Silence on the New Arab Groupings**

It is worth noting that the United States did not officially react to the establishment of the new Arab economic groupings. While the majority of world countries, including Western Europe and the Soviet Union have welcomed the establishment of the Arab Cooperation Council and the Arab Maghreb Union, we notice that the United States completely ignored them on the official and informational level. The United States could not even bring itself to pay the usual diplomatic courtesies in this respect to those who established these groupings.

### **The Campaign Against Egypt**

This is the most recent sign of hostility by the United States toward the new Arab renaissance. The Arab homeland has begun to regain its strategic balance following Egypt's return to the Arab fold after the Amman summit in November 1987. The Arabs rushing to Egypt's lap, and Egypt's rushing to the Arab nation's lap seems to have caused anxiety, albeit unexpressed, in U.S. quarters. Egypt's persistent endeavors to push peace efforts ahead by urging the Europeans to pursue their initiatives for a peaceful settlement seem to have started to worry the United States. It is no coincidence that there were two signals from the United States in the same week that President Mubarak was visiting Western Europe. The first signal was the announcement by the U.S. official spokesman that his country had decided to withhold the sum of \$230 million, which is part of the U.S. aid program to Egypt, because Egypt did not respond to the IMF directives. The strange paradox is that almost in that same week, popular disturbances took place in Venezuela during which 300 were killed and thousands were wounded. These disturbances occurred because the Venezuelan Government implemented the IMF's directives. While the Venezuelan people's blood that was shed as a result of the directives of the IMF has not yet dried, the United States asks Egypt to implement the same directives.

The sum of \$230 million that the United States withheld from Egypt is a small sum. However, the manner in which it was withheld and the propaganda clamor raised about it is aimed at casting doubts on the soundness of the Egyptian economy. It is an announcement that the U.S. Administration has no confidence in the Egyptian Government's management of the economy. It seems as



if it is warning the European countries not to respond to President Mubarak's endeavors to reschedule Egyptian debts and not to support Egypt's stand toward the IMF.

President Mubarak's recent European tour had three objectives. The first was an economic objective. The United States tried to abort it through the above announcement. The second objective was a political one. It dealt with encouraging Europe to pursue its initiatives for the attainment of a peaceful and just settlement of the Palestinian problem. The United States also sought to abort this objective through Secretary of State Baker's trip to Europe to incite the Europeans in this respect. The third objective of President Mubarak's tour was to contribute to the world's efforts to protect the environment and tackle the threat posed by the decreased ozone layer. The United States even tried to cast doubts on this noble objective. One day before President Mubarak's departure for Europe, the United States announced that it had information that Egypt is building a plant for the production of internationally-banned chemical weapons, which pose a threat to the environment. Two months ago, the United States raised a similar hue and cry over the construction of a similar plant by Libya. By announcing that Egypt is doing the same thing as Libya, the United States seems to be trying not only to cast doubts on the credibility of President Mubarak's contribution to world efforts to protect the environment, but also seems to imply to the world at large that all the Arabs are involved in the same practices. It accused Libya in the past. It accused Iraq in the not too distant past, and now here it is accusing Egypt.

The abovementioned five American signals might be coincidence or a stand. I am not explaining history in a conspiratorial way. However, don't these repeated signals and their timing indicate that they are not merely coincidental?

The timing of the media clamor created by America with regard to Egypt and Iraq and the production of chemical weapons in these countries cannot be a coincidence. Even if we assume that Iraq, Egypt, and Libya are producing or will soon produce chemical weapons, America must have known it a long time ago. What is more important is that the Arab countries are not the only ones that produce or think of producing such weapons, that is, if the American information is correct. Israel is at the head of the countries that produce and store such weapons in addition to its sole nuclear arsenal in the Middle East. And we did not hear from America any question or denunciation of these Israeli practices.

Therefore, the matter seems to be an American plan to abort the Arab achievements that were attained last year on all fronts. This plan aims to blackmail the Arabs, besiege their independent initiatives, and preserve the subservience of most of the Arab regimes to the United States. In this plan, the United States sometimes wants

to use the weapon of economy and at other times the weapon of public exposure, counterdiplomacy, and direct aggression—as it does with Libya.

What doubled the American fears from the Arab achievements and made it lay down its plan to abort or contain these achievements is the recent Arab open-door policy vis-a-vis the USSR. While it allows itself to adopt such a policy toward the USSR and negotiate with it on everything, it becomes worried when the Arabs do the same thing. It seems that the Soviet foreign minister's recent visit to the Middle East and his meetings with all parties to the regional conflicts, including Iran and Israel, have created great concern for the United States. Although the official American quarters in Washington tried to mitigate the concern and lessen the importance of the visit, the American media organs and diplomats in the region were not able to hide this concern. Maybe the number of their journalists and diplomats in the region who came to see the writer of this article to ask about Shevardnadze's visit and its significance is much greater than those who inquired into al-Sadat's assassination.

Despite the hostile signals toward Egypt and the Arabs in recent months, Washington has come out with one single positive signal. By that, we mean the agreement to talk with the PLO. We all know the tough conditions Washington had set before finally agreeing to simply talk with the PLO. So far, only one meeting was held in the past 3 months between the representatives of both sides. The United States had promised to hold a second meeting in the near future. But it also set a heavy price, which is that the Palestinians must stop their armed struggle against the Zionist occupation even if such struggle is directed at military targets. The United States considers the armed struggle against Israeli occupation as a form of "terrorism." So, even this single positive U.S. signal toward the Arabs in one whole year is being completely deprived of substance so that with time it would eventually vanish.

Had the United States truly desired peace and stability in this region, it would have considered last year's Arab achievements as a solid ground on which to build real peace initiatives without any delay or hesitation. The Palestinian intifadah should have been sufficient to make the United States present a real peace initiative. Here is the whole world, including the United States' own allies, hailing the intifadah and recognizing the Palestinian people's legitimate right to self-determination. Here is the PLO announcing for the first time its readiness for a historic reconciliation with those who have occupied its territory and displaced its people. Here are the Arabs supporting the PLO's noble endeavor. Here is the USSR announcing its readiness to support any peace endeavor and a settlement of the conflict in the region even if spearheaded by the United States. Here is Israel isolated morally and diplomatically on the international level. Here is the majority of its public

opinion (54 percent) announcing its readiness to negotiate with the PLO. The existence of all these circumstances in favor of a settlement and peace has never been witnessed before. Yet, instead of quickly exploiting these historic opportunities, the United States is dilly-dallying and trying to abort these opportunities by its hostile signals toward the Arabs. This cannot be in the interest of world peace, the American people, or the Israeli majority for that matter. Wasting such opportunities can only be in the interest of the advocates of war and expansion in Israel and their supporters in the United States.

## KUWAIT

### Improvements in Economy Reported

44040280 *Dubayy AL-IQTISAD WA AL-A'MAL*  
in Arabic Jan 89 pp 82-84

[Article: "Kuwait: Improvement Expected in Business Climate"]

[Text] The Kuwaiti economy has begun to enjoy some recovery thanks to successful measures adopted by the government following oil price declines and the market crash in 1982. The implementation of a debt program and of the economic and social development plan guidelines helped make structural corrections, lay a more solid and stable foundation for expansion, increase private sector contributions, and initiate sound financial sector recovery.

### The Gross Domestic Product

Higher world oil prices helped the Kuwaiti economy expand in 1987 for the first time since 1984. GDP [Gross Domestic Product] increased by 5 percent from 1986. Non-oil GDP grew by 3 percent, the oil sector by 8.4 percent. Inflation and inflationary pressures remained under control. The consumer index ranged from 2 to 2.5 percent in 1987 and maintained the same level in 1988.

### The Oil Sector

Oil production in 1987 averaged 1.1 million bpd, which corresponds to the OPEC production quota for Kuwait of 948,000 bpd. Revenues from crude and refined product exports jumped by 20 percent. Government revenues in the first half of FY 1987-88 (July to December 1987) totaled 1,437 million Kuwaiti dinars (more than \$5 billion), of which oil revenues accounted for 1,321 million dinars, an increase of 148 percent from a year earlier, brought about by increased production and firmer world prices. However, total returns began to slide in the first half of 1988 to 726 million dinars, compared with 1,321 million dinars in the same period of 1987.

Kuwait's strategy focused on expanding vertical oil sector activity such as [word missing], refining, and marketing. In addition to domestic production, the state produces 20,000 bpd abroad, equally divided between American and British concessions in the North Sea. By 1990, foreign production will increase to 50,000 bpd, of which the North Sea will account for more than half. Kuwait also holds interests in fields in the Gulf of Suez in Egypt and in Indonesia. Work on these fields will begin by 1990 and production is calculated at 15,000 bpd. Production and refining facilities will therefore ensure the supply for the Kuwaiti network of retail outlets in Europe.

Oil production ranged over the past three months from 1.5 to 1.8 million bpd sold at around \$10 per barrel.

### Banking and Finance

Banks reported a degree of improved performance in 1987 as a result of successful programs to settle debts and support all banking institutions. The National Bank of Kuwait, which needed no government help, was the only exception. It was the best performer in 1987, with \$100 million in profits. It made dividend distributions of 22 percent in cash and 10 percent in stocks, while other banks made only cash distributions. Five of the six banks reported increased returns on assets. Bank strategies in 1988 targeted increased domestic market presence by providing improved services to institutional and individual clients, expanding the banking network, increasing the number of automatic tellers, and offering augmented loan and credit services. Commercial banks with branches abroad, such as the National Bank of Kuwait, focused on improving services to the main financial centers at branch locations.

Liquidity of the banks was supported by the debt-settlement program launched at the end of 1985 to insure bank deposits and investor shares. The Central Bank reported that 96 percent of all doubtful accounts were technically settled. The authorities, in order to expand credit available to the various production sectors in the country, lowered interest rate ceilings to 6 percent for production loans and from 10 percent to 7.5 percent for non-production loans.

### The Balance of Payments

Kuwait enjoys a solid external financial position with some \$68 billion in state assets, thanks to current account surpluses accumulating over the years. Kuwait had a trade surplus of \$3.06 billion in 1987, up from \$1.34 billion a year earlier. This substantial increase is attributed to higher oil revenues and to fewer imports.

The current account surplus for 1987 was estimated at \$4.4 billion, compared with \$6.161 billion in 1987 and \$4.804 billion in 1985.

Two factors will impact the balance of payments in 1988. First, the return on investment estimated at \$3.5 billion. Second, the central bank's foreign exchange policies, which sometimes devalue the dinars vis-a-vis the dollar in order to convert dollar oil returns into more Kuwaiti dinars.

### General Financing

General financing factors in Kuwait revolve around three objectives:

- supporting the domestic economy by directing some government spending to production sectors;
- The state budget for FY 1988-1989 estimates total revenues at 2.054 billion dinars, an increase of 3.5 percent. Of that, oil revenues account for 1.79 billion dinars calculated on the basis of 1 million bpd—the OPEC production quota—priced at \$15 per barrel.

Expenditures are pegged at 3.195 billion dinars, an increase of 1.2 percent from the previous year. Of that, 657 million dinars are allocated to development and 2.437 billion dinars to current expenditures. Considering the Fund for Future Generations, which absorbs 10 percent of total returns, this leaves a budget deficit of 1.345 billion dinars, slightly less than in FY 1987-1988. The deficit reduction plan will reverse the trend of the past 5 years. The deficit, 345 million dinars in FY 1983-1984, has been gradually decreasing.

The government has also allocated 1.5 billion dinars for military purchases and procurement.

Despite sharp fluctuations in oil returns over past years, fiscal policy has maintained a spending level of 3 billion dinars, considered suitable for continued domestic economic growth. Kuwaiti oil revenues were not greatly impacted by the recent decline in oil prices, since the state has been expanding its refining capacity, estimated at 700,000 bpd. It has also been pursuing a successful strategy of vertical expansion, including the purchase of refineries and distribution facilities in Europe, therefore securing for Kuwait an important market to sell its oil and gain profits in hard European currencies.

Final budgetary figures for FY 1987-1988, released 8 November 1988 by the ministry of finance, show a sharp deficit decline from an estimated 1.376 billion dinars to an actual 779 million dinars. This 43 percent drop is attributed to increased oil revenues and belt-tightening measures. Total returns for the fiscal year ending last June were calculated at 2.25 billion dinars (\$8 billion). Expenditures were 2.8 billion dinars (\$10 billion), excluding annual allocations (at 10 percent of total revenue) to the Fund for Future Generations.

The deficit improvement is attributed mainly to firmer world oil prices in 1987, which hiked oil revenues to 1.995 billion dinars, an increase of about 265 million dinars (\$946 million) from the FY 1987-1988 budgetary projection of 1.73 billion dinars (\$6.2 billion).

### The Kuwaiti Government Loan Program

The government will finance the FY 1988-1989 budget deficit of 1.35 billion dinars by drawing upon general reserves and borrowing on domestic markets. The economic program launched by the government in November 1987 is considered the most successful measure to be adopted by any Gulf country. It allowed the authorities to add more stability to the general financing sector by making domestic market funds available rather than drawing on external reserves to cover budget deficits caused by lower oil prices.

In June 1988, the government borrowed 1.394 billion dinars—an amount equal to the public debt—of which 770 million dinars were in 91-day treasury notes and 624 million dinars in treasury bonds with maturities of one year and seven years. The 91-day notes were redeemed by funds borrowed on domestic markets by the Central Bank in mid-October 1988, with interest ranging from 5 to 6.5 percent. The budget deficit for FY 1988-1989 is estimated at 1.346 billion dinars, calculated on the basis of producing 1 million bpd priced at \$15 per barrel. Should prices fall, the government would have to raise the 1.4 billion dinar borrowing ceiling allowed by the previous fiscal year's borrowing program.

The government's loan program was generally successful, especially because it did not subject domestic market liquidity to any pressures. The minister of finance said recently that a commission, chaired by the governor of the Central Bank, was formed to study ways of boosting general reserves and that the government was considering a new public lending program that would link future borrowing to actual, rather than projected, deficits.

### Forecast

The business climate and its outlook were enhanced by Kuwaiti government efforts over the past few years to settle the banking sector's loan problems and by adoption of sound fiscal policies focused on development spending, which is the main drive behind domestic activity.

But the most significant factor remains the impact of the Iraq-Iran cease-fire, which will generally improve the business climate if not lead directly to a business recovery in 1989.

The return of peace to the Gulf would also give Kuwait the advantage of being a nearby market offering an abundant supply of goods and services as well as advanced marine services that could be dependably utilized until the Shatt al-'Arab waterway is cleaned up.

Pending further improvement in the Iraqi position, Kuwaiti market activity will maintain moderate growth, thanks to government spending and to a positive private sector outlook.

### **PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN**

#### **Official Provides Industrial Construction Statistics** *44040260 Aden 14 UKTUBAR in Arabic 25 Jan 89 p 2*

[Text] The General Organization for Industrial Building and Construction carried out last year's 1988 plan at a cost of 5,029,000 dinars, while its expenses within the provinces of Aden and Hadramawt reached 4,517,000 dinars.

Comrade Sultan Ibn-Barik, the organization's deputy general director made the announcement to the newspaper, explaining that the present general plan is for 5,879,000 dinars. He added that the organization's costs from its establishment in 1988 until the closing of its accounts in 1988 amounted to 65 million dinars.

It is worthy of mention that the organization contributed 5 million dinars to support the national economy, in comparison to the nation's share of earnings realized in 1987.

The organization's general director asserted that the projects from 1988 until the present year have had a value of 3,896,000 dinars, while the new projects for the present year are valued at 1,983,000 dinars.

He added that among the projects which had been completed at the end of 1988 was the Ministry of Planning project, a part of the project of the Central Media Institute.

Among the difficulties, he pointed to the difficulties that the organization is facing which are reflected in the problem of paying off the loans owed by some of our comrades and some organizations which, at the end of the year 1988, amounted to approximately 3 million dinars.



## INDIA

### Strain Seen in Indo-Nepal Relations

46240029b Calcutta RAVIVAR in Hindi 11 Feb 89 p 73

[Article by Harivansh: "A Growing Rift in Indo-Nepal Relations"]

[Text] Indo-Nepal relations cannot be measured by the strict international standards of diplomacy. They have a rich history of strong relations, but this old wall has started to show cracks. Nepal has given contract to repair the Gandak canal and building a road to China. This 81 kilometer long canal joins with the Naraini river. This canal runs parallel to the Indian border from Pipra to Rautahat in Virganj district.

The main competitors for this contract were India, North Korea, and China. China's China Water and Electric Corporation won this contract. South Korea also managed to bag one contract. These contracts do not appear to be the major reason for deterioration in Indo-Nepal relations. However, in view of the informal and close relations these two countries had in the past, these decisions by the Nepali royal rulers have led to a lack of mutual distrust.

India is worried about Chinese intrusion in Nepal's political, economic, and social arenas. A lobby supporting China has been active in Nepal for a long time and it has been influencing students in Nepali universities against India. Nepal had without any warning backed out of an Indo-Nepal defense pact in 1969. It had also requested that Indian armed forces stationed in Kathmandu and other personnel connected with various projects be recalled. The anti-India Chinese lobby was behind this demand.

Last year Nepal imported 400 truck-loads of weapons from China. These included anti-aircraft guns and other modern weapons. According to the 1965 Indo-Nepal pact, Nepal should have consulted India about its defense needs. With this import Nepal wanted to declare that it can import weapons from any country and it does not care for its pact with India. Soon after the arrival of these weapons from China, Nepal's prime minister formally lodged a protest about India's intrusion into Nepal's air space. This was the first time that such complaint was made.

Chinese in large numbers visit Nepal on the pretext of helping with the contracts and building roads. According to reliable sources, most of these are military personnel. China had declared in 1985 that it will cut down its armed forces by one million. These soldiers were used to work on various developmental projects. Most of the labor force working in Nepal are retrenched Chinese soldiers. It should be remembered that most of Nepal's

developmental projects were started with India's cooperation. The Gandak project was started in 1951 and both countries have benefited from this project. India has spent a lot of money in maintaining this project.

According to the information available Shriman Narayan, India's ambassador to Nepal, had agreed to a pact with Nepal's government. According to this pact, India was not to take up contract work on the Sino-Nepal border and Nepal would not give any contract to China to work on the Indo-Nepal border. Nepal does not appear to have honored its agreement.

India has generously helped Nepal time and again. It was India that helped Nepal end its feudal regime and start a democratic government. As an independent nation, Nepal is free to decide its foreign policy. However, it has no right to make trouble on the Indian border in order to keep balance of powers around its borders. India kept its word and did not accept any contract on the Sino-Nepal border. The strong relationship between India and Nepal is based on the 1950 pact between the two countries. Now, Nepal is backing out of some of the terms of this pact. Nepal is now demanding restriction on Indian nationals entering Nepal. So far, India has shown its displeasure by reducing its aid to Nepal. Nepal also has commented that the Nepali Congress and the Indian Democratic forces are historically related. It is true, but India has never been involved in Nepal's internal affairs.

Recently, Leo E. Rose, a prominent Nepalologist, wrote that Nepal's prosperity is tied to India. Mr Rose is a professor of political science at the California University. According to Mr Rose, the future of Nepal hinges upon India. Over one-third of Nepalis have moved to India for employment. The whole economy of southern Nepal depends on India. People living in this area visit India very easily. If the Indo-Nepal border is closed, then the economy of this part of Nepal would be devastated. India would not lose anything from this development. According to Rose China can not replace India in Nepal in the next 50 years.

### Backwardness in Defense Production Deplored

46240027 New Delhi JANSATTA in Hindi  
11 Feb 89 p 6

[Article by Jawaharlal Kaul: "Why Are We Falling Behind in Defense Production?"]

[Text] Prime Minister Rajiv Gandhi commented that Pakistan was not only hiding the fact that it has already made an atom bomb, but it has now much better capability to aim these bombs since it has perfected a new missile. Such accusations are usually ignored as a political ploy since both countries harbor mutual distrust and the ruling parties in both countries are facing uncertain futures. Mr Jasjit Singh, director of the National Defense Research Institute said that the missile Pakistan has developed may not be able to aim and shoot a heavy object like the atom bomb. He added that a missile with

the capacity to carry 50 or 100 kilograms is not appropriate for such an operation. However, here we cannot ignore two important facts. Given that Pakistan has improved its missile; extending its range to 300 kilometers, it now must have the capacity to produce mid-range missiles. If these missiles are capable of carrying less than 100 kilograms, then it will not be long before larger missiles are made. The second important fact is that Pakistan has started to adopt Chinese technology. There are rumors that the Chinese are providing Pakistanis the technology to manufacture smaller atom bombs. The rivalry between the United States and the Soviet Union over the production of larger and more effective missiles has finally almost stopped. All industrialized nations are trying to make this system less expensive and smaller. There has been considerable progress in the area of making smaller atom bombs. It is possible that China has acquired expertise in this specific area. In other words the danger of exploding an atom bomb in this region has increased. The superpowers have finally realized that it is not possible to use large bombs in any kind of war. The new missile technology developed by Pakistan has to be considered very important in this context.

India has not clarified its policy regarding making atomic weapons. Despite its refusal to bow to Western pressure for an inspection by any international agency, India has still not decided whether to adopt atomic technology or not. However, we have not made progress in any other areas of defense production. Mr Krishan Chander Pant, India's defense minister, has announced recently that India is working on a policy for exporting weapons. Mr Jaswant Singh, the Janata Party member of the Parliament who has special interest in defense affairs, commented that India's exporting weapons in the international market was absurd both as an idea and a possibility. He accused the government of trying to deceive the people.

The Government of India is forced to think about exporting weapons for two reasons. Parroting the rhetoric about world peace is an old habit of our leaders. World peace is a commendable goal, but this goal cannot be achieved by our talking about it repeatedly. The countries that are danger to the world peace do not depend on us for economic or political reasons. China had agreed with India on the Panchashila proposal, but it is the only Asian country today that is manufacturing and exporting weapons on a large scale. There are two aspects of China's weapons export. It is selling traditional and modern weapons to Arab countries under an established agreement. The second aspect is the export of technology. China has this special defense agreement with Pakistan. Pakistan had tried to get help from Western countries for its atomic program and had made some progress secretly. However, it could not make further progress or get its scientists trained on a large scale. Perhaps this is the reason why Pakistan approached China for assistance. China is not only training Pakistani scientists in atomic technology, but is

also facilitating their experiments. It is not clear whether China is doing it for political reasons or following a trade agreement.

India's defense planners now wonder if it was wise to remain dependent on other countries for weapons. Not only China but Pakistan is leaving us behind in this area. However, the government's announcement about defense production only demonstrates our slowness. The former defense minister Krishna Menon was berated at the time of the Chinese attack on India for India's defense factories manufacture of coffee percolators while China was emerging as a military power. After India lost the war because of lack of weapons and training India decided never to manufacture any civilian items in its defense factories. This was not a bad policy. It was expected that factories that were designed for making weapons should make weapons. However, our government which is famous for making policies that it does not implement forgot that the defense ministry cannot be managed like any other bureaucracy. No efforts were made to improve efficiency or introduce new technologies to the defense department. Thus, these defense factories also operated like any other public sector factories. It was obvious that these defense factories would meet the same fate as any other public sector undertaking. The result of the strong hold of our bureaucracy and the total lack of imagination of our defense ministry is the inactivity in our defense factories. There were no new developments or research work done. They did not even produce much established technology. Most factories complain that red tape is hindering new technology as well as production to the available capacity. This resulted in heavy losses in several factories. There were complaints that even the government refused to buy products from these factories. This situation helped the private factories to prosper as they continued importing and utilizing new technologies.

Jaswant Singh also said that the Indian government demonstrated its lack of imagination even when it received weapon technology from the industrialized nations. The Bofors cannon is an example of this trait. There is no doubt that this is one of the best cannons in the world. Its 'shoot and scoot' specialty makes it safer in counter attacks. This cannon shifts position right after shooting. However, there was no clause in the contract with the Swedish company permitting us to return our surplus production to the company for sale to other countries. Such contacts are common all over the world. It allows access to international markets. Such agreements could also have been made with the Soviet Union which has a huge market in Eastern Europe, Africa, and Arab countries. After learning all this how can we believe in our defense minister's announcement that India is in position to export weapons to other countries?

This discussion started with Pakistan's missile. We have claimed the making of a missile called "Prithvi." This land-to-land missile has a range of 250 kilometers and would be considered in the same category as the one

made by Pakistan recently. Our government claims that we are also making "fire" missiles. It is expected to reach the production stage within the next 2 years. However, our progress in the area of missile has not been very impressive during the last 40 years. It took us several years to succeed in sending a small satellite rocket into space and we did not make any special impression in this area either. China started research in space technology almost the same time as we did, but its progress in this area has been very remarkable. China had worked on defense and civilian projects in a cooperative manner. Both sectors have benefited from mutual cooperation. China gave priority to defense research in some areas such as nuclear physics. China also needs energy, however, it did not emphasize atomic energy in the beginning. It is a proven fact that atomic energy cannot compete with the traditional energy sources as hydro-electric power. It will take a long time even in industrialized nations to seriously produce atomic energy. Therefore, China used its atomic knowledge for making atomic weapons. It is not surprising that China did not have any atomic energy plant when it exploded its first atomic bomb. After succeeding in the defense areas, China has finally focused its energy in using atomic knowledge for producing electricity. Not only did China initiate a large-scale plan to start an atomic energy plant, but it took much less time that we did. China is way ahead of us in designing atomic plants. If our government has started talks with top officers of factories in the public sector, it should not take a bandaid approach. Instead, the government should seriously consider increasing our defense production.

#### **Fear Expressed Over Rising Islamic Fundamentalism**

46240030 New Delhi JANSATTA in Hindi  
21 Feb 89 p 6

[Article by Sitaram Goyal: "The Roots of Islamic Fundamentalism Grow Deeper"]

[Text] The recent furor that the Muslims have raised over the publication of Salman Rushdie's book brings to our mind the words that Mahatama Gandhi wrote in YOUNG INDIA on 30 December 1927. He had written: Islam was born at a time when the sword had its way and this is still being practiced today.... Muslims have the habit of using the sword too much. If Islam means peace, then it must return the sword to the scabbard.

Those who have read the laudatory biographies published by worshippers of the Prophet [Mohammed] know that Rushdie has not invented anything. He has only written what is already included in those revered biographies. Actually, the truth is not so evident in the form of the novel as is in those biographies. Most of the readers have not read any biography of the Prophet and do not really understand what Rushdie is trying to say.

The symbolic language used in the novel suppresses the emergence of any character. Thus, those who are raising all that hue and cry over this novel are simply suffering from guilt.

The problem starts with the fact that Mohammed is not a mythological character; he is a famous historical person. The personal and daily life of no other historical character has been researched as has been that of Mohammed by Muslim scholars. All his words and actions seen or heard by his associates and his wives were included in the Hadees collection [Islamic religious books]. Many biographies based on these Hadees were published and the Muslims consider these biographies as sacred as the Koran itself. There is nothing secret about Mohammed's life and no efforts to hide anything about his life were made. There have been no arguments regarding any facet of his life, either.

The controversy arises when the actions and sayings of Mohammed are viewed and evaluated from a universal moral point of view. Many events of his life do not meet some of the universally accepted moral criteria. That is what makes the Moslems angry. They do not want Mohammed evaluated morally by any other authority than Mohammed himself or by the traditional Islamic scholars.

Islamic scholars believe that Mohammed's life was godly and not human. The holy messages that Allah sent through his last prophet are included in the Koran. How these commands should be implemented in real life were modeled by Mohammed himself as per Allah's orders. All the humans had to do after this was to read the Koran and improve their lives by modeling it after Mohammed's life. Islam does not give the right to anyone, be it a Muslim or non-Muslim, to criticize the holy model or discuss the morality of his character.

There would have been no problem if the Muslim community had kept the worship of its model to itself. There still would have been no problem if non-Muslims also viewed this model similarly as did the Muslims. Making fun of any group's god is not good manners. God appears to everyone in accordance with their own emotions and perceptions. There are, however, several incidents of Mohammed's saying and doings that raise the eyebrows of non-Muslims. One example is the mandates given by Mohammed for treating Kafirs [non-Muslims], idol-worshippers, and those quitting the Islamic faith. These require that non-Muslims must praise Mohammed or the Muslim may raise the sword against them.

The Muslims insist that anything that Mohammed did should be considered moral. They do not recognize any universal standards of morality that might put their hero open for investigation. This insistence can be understood if one looks at it from a Muslim's point of view. The main reason is that Mohammed is the focus and center of the Islamic religion. Islam becomes a target if even a



finger is raised against Mohammed. Non-Muslims believe that Islam is based on Allah. This is erroneous. The Hadees clarify this issue. An Arab went to see Mohammed and said, "I believe in Allah, but I do not believe that you are the prophet sent by Allah. Am I a Muslim?" Mohammed told him that as long one did not believe in his being a prophet one was not qualified to call himself a Muslim. There is a saying among Muslims: You can be careless about Allah, but you must be careful about Mohammed. Salman Rushdie's life is in grave danger because he was not careful. He could have written a thousand books about Allah and Khomeini would never have paid any attention.

Mohammed had made sure that no one would be able to point any finger at him. He had said, "Allah has sent various prophets to give the message of his greatness. Jesus Christ told the world about Allah's simplicity, omniscience, and power. These qualities, however, were not enough. People did not become faithful even after seeing the miracles performed by Jesus and Moses. Therefore, I am sent here as the last prophet with a sword. No one should argue or oppose people who are spreading my word."

We cannot say whether Salman Rushdie will be able to survive. Were he a citizen of an Islamic country, we would have never learned about him. Innumerable Muslims and non-Muslims who dared to speak against Mohammed have been killed. An act against Allah even when committed out of ignorance is not excusable. A non-Muslim can be excused if he accepts conversion to Islam, but a Muslim has no way out. Rushdie is lucky that he is a citizen of a Western country and already is famous as a writer. There is a large intellectual group in the West which has and will stand up to defend Rushdie. The major problem in India is that even though it is not an Islamic country, it follows Mohammed's edicts. At the root of this problem is India's intellectual group which tries to hide its apathy by raising slogans of secularism, equal rights to all religions or something else.

#### **Opposition to Assam's Chief Minister Said Increasing**

46240020 New Delhi JANSATTA in Hindi  
18 Jan 89 p 6

[Article by Devendra Thanuan: "The Mohanta Government Is Surrounded by Disputes"]

[Text] Prafulla Kumar Mohanta, the chief minister of Assam, has just saved himself from the sword that was hanging over his neck. He has been able to find a way to outwit the dissident group. Last month some people belonging to the dissident group had tried to bring down his government, but, sensing their design in advance, Mohanta managed to save himself. Otherwise, as had happened in case of Nagaland, he would have lost his chair. After the Assam agreement, when it came to the distribution of tickets resulting from the elections, some of the leaders of the AGP (Assam Ganatantra Party)

were dissatisfied. When the party returned with a big majority some of the leaders clashed when staking their claim to the position of chief ministership.

Within the Mohanta government as well as within the party, opposition has been on the increase. The reason for the discontentment among AGP legislators was that they were not given proper recognition and opportunities. The government officials have been infuriated by their unnecessary transfers and getting blamed for not working in accordance with the wishes of the AGP members. The state police are not happy with the government either. The inspector-general (IG) of police has recently been used as a pawn in the internal struggle of the AGP. According to knowledgeable sources, he has been removed from his position because of a conflict between the chief minister and the home minister. A few days ago, the chief minister had instructed the IG to report about the law and order situation in the state directly to him instead of going to the home minister. Obeying his orders, the IG provided the report of the Namrup murder case to the chief minister. The news was also published in the papers. When through other media, such as the radio and television, the home minister came to know about the case he made an inquiry into the matter. When the truth was revealed to him he sent in his resignation. The chief minister made the IG a victim of this controversy and removed him from his position.

After the victory at the last general election, there were several claimants to the chief minister's position, among whom the main rivals were the member of parliament Dinesh Goswami, the home minister Bhriku Kumar Phukan, and the speaker of the legislative assembly Pulkesh Barua. During the election campaign itself Mohanta had made a separate identity for himself. He realized his claim to the chief ministership by acting very cleverly. The legislative council of the AGP as well as the executive committee of the AGP had decided earlier that Dinesh Goswami was to be the chief representative of the party in Delhi. He was also made responsible for interacting and coordinating with other opposition parties and leaders at the national level. Likewise, Bhriku Phukan was assigned the home ministership which made him number two in the cabinet. Pulkesh Barua was made speaker of the legislative assembly. The position of the speaker is considered highest in the assembly. With these maneuverings all the other claimants to the chief minister's position were pacified.

But, the chief minister had mapped out his strategy everywhere. At the first opportunity he took over the administrative responsibilities from the home minister. The IG issue became a test case for the chief minister. Mohanta had to make all sorts of endeavors in order to save his chair. The home minister Bhriku Kumar Phukan and the public works minister Atul Vora had made a demand to remove some of the chief minister's special men from the cabinet. Mohanta became agreeable even to this. This is why in the October cabinet reshuffle some of Mohanta's close associates were dropped.



In the present situation Dinesh Goswami is playing the role of silent spectator while up until a few months ago he had emerged as a strong opponent of Mohanta. One of the reasons of his being an opponent of Mohanta was the fact that one Nagendra Sekia had become the chief minister's spokesman in Delhi. He was Mohanta's distinguished teacher and consultant during the Assam agitation. Through the good graces of Mohanta he has been rewarded with membership in the upper house of the parliament. The disputes are not based on selfishness alone. The pain of regionalism is also behind it. It has turned out to be a dispute between the regions of Kamrup and Naugao. Kamrup includes the older areas of Nalwari and Barpeta also that have now become separate districts. The legislators of Kamrup want the speaker of the assembly Pulkesh Barua to become the state chief minister. On the other hand, the people of Naugao do not see how their interests can be served without Mohanta as the chief minister. The disputes are quite intense but so far Mohanta's side is prevailing.

Chandramohan Patwari, who was dropped from the Mohanta Cabinet, made several attempts to bring down the government. But now he is so frightened that he considers it dangerous even to talk about it. The chief minister is now raising the issues of border disputes with the neighboring states just to divert the attention of the people. He is also shedding tears on the economic deterioration. The Assam government has put restrictions on all government spending except for the payment of salaries to government workers. Some people are of the opinion that the economic situation of the state has worsened because of extravagance on the part of the Assam ministers. The state government does not accept it. According to the government spokesman large expenditures have been incurred on account of the people affected by floods. It is alleged that the chief minister is providing protection to criminals. A few months ago, H. H. Harlalka, an officer of the Kamrup Chamber of Commerce, was murdered. Before his death Harlalka and later his wife had given the name of Munim Navish as the assailant but he was not arrested. Rather, in an attempt at a cover-up, some other arrests were stage managed.

Last year, the parliament had approved an alien panchayat amendment bill. Before this the chief minister had requested chief election commissioner Peri Shastri to accept the 1966 electoral roll as the basis for election rolls. The opposing members counter that the chief minister can use the same electoral roll for the panchayat election as that on which he had won the general elections and has since then been ruling.

The minorities of Assam are divided into several groups. One is in the Brahmaputra Valley and another is in the Barak Valley. Most of the people of the Brahmaputra Valley are with the tribal organization of the plains while the people of the Barak Valley are with the central home minister Santosh Mohan Dev. The tribal people of the hill region are also agitating for their demands. This is why the

crisis of the state is not being resolved. Even after forming a government Mohanta has not been able to expel the aliens. At the time of agitation he used to talk about expelling 300,000 aliens, but until now he has been able to expel only 153 of them. It becomes clear from this that the expectations, with which the people had elected the government of Mohanta, have not been fulfilled. That's why the people's attitude is now changing.

The ouster of the ex-health minister Chandra Mohan Patwari has also aroused a controversy. He has been ousted for his anti-party and anti-constitutional activities, but Patwari has refused to acknowledge them. According to the speaker of the assembly Pulkesh Barua, it was a mistake to oust Patwari. He himself has been served with a show-cause notice. Barua has criticized even that. The ministers ousted from the cabinet have written to the two general secretaries of the party questioning now a chief minister who himself is engaged in anti-party activities can prohibit others from doing so.

#### **Problem of Illegal Immigrants Discussed**

46240029a Calcutta RAVIVAR in Hindi 11 Feb 89 p 70

[Article by Vishwaranjan Sarkar: "Intruders Causing Havoc in People's Lives"]

[Text] Illegal immigrants from Bangladesh are entering West Bengal despite the efforts of border patrol forces. The West Bengal Government and the border police are both aware of this fact. The Central government has also promised to help the state government to solve this problem. However, none of them have taken any steps. It is expected that this situation will become worse with time.

Illegal immigrants have been entering Bengal for several years, but there has been an alarming increase in their number since last June. Thousands of immigrants are entering Bengal carrying whatever they own. They want to stay here permanently. Almost all of these new immigrants are members of minority groups in Bangladesh. It is alleged that after the 8th amendment to the constitution by President Ershad, Bangladesh virtually has become an Islamic nation. They accuse communal groups such as Jamaat-e Islami and Al-Badar of persecuting minorities in Khulna, Barisal, Jessor, Faridpur and other places.

Most of these immigrants are farm laborers, school teachers, and trained jute mill workers. The minorities are not getting employment after the new developments in Bangladesh. They are discouraged from starting a business. Their property is taken away and land owned by the minorities is also reappropriated to other people. Hired criminals are terrorizing and taking over land from the minorities for the fundamental Muslim groups. They are forced to sign away titles to their land. These hired criminals also abduct female members of the minority groups. The police are also helping these rowdy

elements openly and the lives of the minority class members have become unbearable. Educated Hindu students are the main target of these fundamentalist groups. Over 8,000 Hindus students recently illegally immigrated to West Bengal from Bangladesh fearing persecution by the fundamentalists.

The main reason for this mass immigration is political; however, two recent natural catastrophes have contributed to this exodus. Commodities necessary for living have either disappeared from the market or are available at exorbitant prices. According to a government report about 2,000 people recently entered Bengal from Bangladesh. It is strange that these government agencies are working to stop immigration from Bangladesh, but have not had any success. They just push these poor immigrants back toward the Bangladesh border, but because of political and administrative ineffectiveness these immigrants successfully cross the border later. Bangao in 24 Parganas situated on Indo-Bangladesh border is not only notorious as a illegal entry point into India, but has become a haven for smugglers. The border patrol recently apprehended several trucks loaded with smuggled weapons.

The West Bengal administration and the left-wing government are worried by this immigration. The destructive typhoon in Bangladesh has destroyed its entire agricultural production. The price of rice has risen dramatically. The recent price was about 22 to 33 Bangladeshi rupees (about 11 to 13 Indian rupees) a kilogram. This had led to smuggling of rice on a large scale. According to reliable sources salt, oil, coal and cement are also being smuggled in addition to rice.

This immigration problem has also caught Rajiv Gandhi's attention. He considers it a serious problem and has expressed concern over the increasing religious persecution in Bangladesh. Hindu and non-Hindu refugees from Bangladesh are settling in northern 24 Parganas as well as in Nadia, Malda, Murshidabad, and Western Dinajpur district. According to the district administrator of 24 Parganas, about 100 immigrants arrive there daily looking for a permanent place to live.

Relations between India and Bangladesh have not improved despite several SAARC (South Asian Association for Regional Cooperation) meetings. Actually the relations are worsening. Ershad protects all the fundamentalist groups. He is aware of the political situation in Bengal that invites immigrants. West Bengal politicians provide ration cards to these illegal immigrants to strengthen their own political positions. Many political parties consider these illegal immigrants their "vote banks." According to one source over 600,000 illegal immigrants from Bangladesh have settled in Calcutta during the last 4 or 5 years. If this trend continues, there will be about 40 million more illegal immigrants during the next 10 to 12 years entering India. This has indeed become a national problem now, but the national groups with vested interests have not taken this problem seriously.

### Commentary Sees Shiv Sena Challenging Congress (I)

46240028 Calcutta RAVIVAR in Hindi  
4 Feb 89 pp 48-49

[Article by Anurag Chaturvedi: "Pawar's Counterattack on Shiv Sena"]

[Excerpt] [Passage omitted] There are many Janata Party and Congress politicians who consider the friction between Sharad Pawar and the Shiv Sena a hoax. Commenting on Sharad Pawar's politics and intelligence, a former cabinet minister said, "We have no choice but to accept the strength of Sharad Pawar's political acrobatics. He used different tactics to make and break various groups. Sharad Pawar is unique in staging false coalitions and splits." According to Janata Dal's Ratnakar Mahajan, "Shiv Sena is actually keeping Pawar in power. Sharad Pawar has told the central government that only he can deal with Shiv Sena." There is no dearth of people who believe that a confrontation between Sharad Pawar and Bal Thackeray is going to take place soon. They cite Sharad Pawar's ability to buy off people and Bal Thackeray's record in support of their claim. One of Sharad Pawar's opponents, a Congress legislature, said, "It is surprising how newspapers that take Rajiv Gandhi's policies apart support Sharad Pawar. It is Sharad Pawar's manipulative skill that makes Goenka's Marathi daily LOKSATTA always praise Sharad Pawar and the BLITZ, which is opposed to Goenka, also is pro-Pawar!" Then there are some Congress party members who believe that the Shiv Sena has become so big now that the only person who should be the chief minister is Abdur Rahman Antullay. Antullay had united all the minorities during his tenure as chief minister and was very popular with these groups. Those who support this idea spent most of their time talking against Sharad Pawar in the Aurangabad convention. Antullay was busy working his own political strategy.

Antullay has also started to play the role of the veteran politician now and advised Sharad Pawar to work with other people. In the long and one-sided press conference in Aurangabad, Antullay never criticized Pawar directly and opposed the tendency of giving too much importance to Shiv Sena.

Old faithful Congress members were not asked to help with the organization of the rally at Aurangabad. The older Congress members are worried that they might become useless during the next few years. This apprehension will deter this group from cooperating with Sharad Pawar against Shiv Sena. The content of the posters and banners displayed in Aurangabad indicates that Sharad Pawar has increased his hold on the party. He has also demonstrated that he can lead Maharashtra

on his own by pushing the old faithful members of the party off the stage. The older members still claim that Shiv Sena is becoming stronger and Sharad Pawar did not shine as expected. They also say that some of Sharad Pawar's supporter who have joined Shiv Sena have refused to return to his group. They give the example of the daughter of Sahib Rao Daungaokar, the ailing legislator from Aurangabad. She ran for election on Chatra Sena [Shiv Sena's student group] and still participates in the local branch of the Chatra Sena.

Shiv Sena and Shetkari Sanghathna, which is expanding its activities and influence in the rural areas, are challenging Sharad Pawar. One good thing about Sharad Joshi is that he avoids political parties and is very clear about Shiv Sena. It is an accepted fact that he would never help Shiv Sena on any condition. It appears that except for the Janata party no other political party is willing to extend a hand to Shiv Sena. Janata leaders from Maharashtra are very careful when commenting on Bal Thakre or Shiv Sena. However, they make it clear that the BJP [Bhartiya Janata Party] will only agree [with Shiv Sena] on minor economic and social issues. They admit that Bal Thackeray is using the Hindu card for the first time and they are calling him 'crazy' over this step. They believe that this step is not a logical one for Shiv Sena. They comment that Bal Thackeray's mind is so busy with plans for forming a government that he cannot talk about anything else.

According to BJP leaders, they did not help Shiv Sena during their Pune conference primarily because Shiv Sena is a competing political party and the two are not merging. According to them, [BJP leaders] they might reach some agreement over representation of some constituencies, but that would be done just before the elections. Dharm Chand Chaurdiya, secretary general of the Maharashtra BJP, told RAVIVAR that Shiv Sena is very active in Marathwara and Konkan. While Shiv Sena is not as strong as it is portrayed in Vidharbha, it is still the major opposition party there. Some Janata Party leaders believe that Shiv Sena would devour BJP were there an agreement between the two parties.

In his fight against Shiv Sena, Sharad Pawar will benefit mostly by his direct contact in the rural areas. He proved in Aurangabad that he can stop old and corrupt Congress party members from bowing to Shiv Sena. Shiv Sena has also found it expedient to be careful after the attacks in Maharashtra. It has started to present an improved image in small towns and to the middle class. It appears that only Congress party with its hold on the rural cooperative banks, its financial health, and its use of Maratha power can reduce the influence of Shiv Sena. If the Congress party does not win this struggle and fails to control the poisonous influence of Shiv Sena, then it would be Congress itself that would suffer most from this wave of call for Hindu supremacy.

Shiv Sena is not using its hateful tactics very much to attack Sharad Pawar, but it has succeeded in activating the interests of RSS [Rashtriya Swayamsewak Sangh]

and Vishwa Hindu Parishad. They are trying to attract unemployed Shiv Sena youth. Most of Shiv Sena's political volunteers are poor from an ideological point of view. In the Pune convention, leaders' names were followed by their caste when they were introduced. It is obvious that Shiv Sena is puzzled about the role of scheduled castes and tribes.

Sharad Pawar has shown considerable control while dealing with the Shiv Sena. Bal Thackeray accused Sharad Pawar of collecting millions of rupees in Pune. He answered it with silence and thus neutralized Bal Thackeray's political gambit. Sharad Pawar also managed to get support by discussing an economic program rather than indulging in the war over personalities. However, Sharad Pawar has to clarify his political goals more in order to succeed. The prolonged deprivation of power by the old faithful Congress members and Shiv Sena's desire to get power can give birth to new equations. At present Shiv Sena is cornered by Mrinal Gorey's opposition group and Sharad Pawar's Congress over the questions brought up by Mahatma Phule. The Aurangabad convention was unique in that it pitted Shiv Sena and Congress against each other openly. Sharad Pawar has entered the arena alone but it is almost certain that the opposition parties, especially Janata Party, will be forced to follow him.

#### **Article Examines Implications of Perestroyka for Indian Leftists**

46070010 Calcutta DESH in Bengali  
24 Dec 88 pp 29-30

[Article by Amal Kumar Mukhopadhaya: "Perestroyka's Lesson and India"]

[Excerpt] [Passages omitted] The lesson we can learn from the outcome of perestroyka is not only relevant to Soviet Russia, there is ample scope to benefit from it by applying it to other parts of the world. For example, if the Marxists and leftists of India could change their outlook and activities on the basis of this lesson, their revolutionary goals, which are getting lost in the crowd of repeated failures, could become revitalized and strengthened. There is no difference of opinion that since independence, during the past forty-one years, India's overall development has not been able to come up to expectation. Our rate of economic development is very disappointing; administration and administrative processes are devoid of any ideological basis, and are suffering from aimlessness. The standard of education and culture is declining, and our traditional society battered by immensely strong reactionary forces is becoming fractious and disrupted. In addition, the sign of destructive processes in the lifestyles and behavior of the common man is evident. Of course, incompetence, apathy and misguided policies of the authorities are no less responsible for these developments. However, the main cause is inherent in our entrenched social order.



The hindrance of the colonial inheritance has circumscribed free and orderly development of Indian capitalistic tradition. As a result our social order and national structure are being developed upon a weak foundation, and there is no doubt that this weak foundation has influenced the pollution of our social and political processes.

The main inspiration of the leftists leaders of this country was to destroy this foundation and establish a socialistic foundation on the basis of long standing revolutionary courses of action. There is nothing wrong with this objective. But the shortcoming of the Indian leftists has centered in the fact that their revolutionary goal of changing the foundation has clouded their thought process to such an extent that they have totally ignored the importance of building a durable social infrastructure. Indeed, for this very reason, when in contemporary Indian, total deterioration of human values in every strata of our lives is apparent, and when our entire social structure is besieged with utter disrespect for social order, even at that time our learned leftists do not feel threatened enough to formulate a well structured moral movement. Their argument is that this incremental moral and cultural deterioration has its foundation on the crisis ridden social order, and until this order is changed by means of radical transformation of this social order, there can be no other alternative but to remain inactive. The first part of this argument is undoubtedly sound, but the second part is not. This part camouflages the belief of the leftists that whenever the desired changes take place in the social order, the human mind and associated characteristics automatically become transformed. In other words, along with the changes in the social foundation, the infrastructure will become metamorphosed automatically. However, in Soviet Union the unsoundness of this belief has already been established with the introduction of the principle of perestroika. As a matter of fact, that this faulty belief can create tremendous obstacles to achieving revolutionary goals can be best proven from the recent history of West Bengal.

During the past eleven years the United Front of the leftists parties has been occupying the throne of the administration, and this event is undoubtedly a precursor to a historic development in the political life of this state. However, unfortunately the resultant effect of this historic development has completely failed to meet our expectations. When the Left Front came to power, the natural expectation was that they would shun the traditional Indian method of following the same beaten track, and would generate sufficient energy in implementing decisions and implementing policies to overwhelm the lives of the masses of West Bengal with enormous energy and inspiration, perseverance and sincerity as well as dedicate themselves to preparing for new courses of action. However, the revolutionary Left Front of West Bengal is taking refuge in the platform of a lethargic, lifeless, frigid, traditional and callous administration. It should not be considered proper to assume that the

leaders of the Left Front were totally unaware of their responsibilities, or their duties from the very beginning. Eleven years ago, the victory march of the Left Front commenced with the promise of an honest, clean and efficient administration. That promise certainly did not lack sincerity. However, due to the absence of honest, hard working, sincere and altruistic workers in the administration, in the party and in other fields of activities, all promises got swept away in the torrent of failure. Indeed, starting from the highest to the lowest level of politics, in every level of society there is a tremendous need for morally inspired honest people. And this is the main cause of the acute disjointedness that is becoming more and more evident in the Left Front. It should be kept in mind that no matter how strong and orally inspired the project might be, it requires honest and disciplined people to make it successful. Consequently, along with the objective of implementing revolutionary activities, the Left Front should have become active in developing a more genuine humanity in this state. In other words, there was the necessity of implementing the ongoing plan of action to develop a widespread and long standing moral resurgence. But the Left Front did not demonstrate any interest in this respect. Most likely they believe that so long as the present social structure remains unchanged, it would be futile to make any positive effort to alter the structure of the society. They believe that it is unjustified and unscientific to associate with the relatively disorganized super structure of the society; they are totally opposed to the belief of separation of the super structure. However, after paying a big price, through perestroika, the Soviet Union has effectively admitted that the thought process is not correct.

During the past eleven years the Left Front of West Bengal had to pay a big price also. On one side there is the grandeur of red tape, and on the other the famine of inactivity—under the combined influence of these two forces the administration has become almost helpless. As a result most of the social welfare activities have been rendered into mere routines. On the other hand, thousands of self-centered people who are completely devoid of any allegiance to any ideology, and unaccustomed to selflessness have entered the party as members. Their impatience, bureaucratic attitudes and efforts for self-aggrandizement has corrupted the populist ideal of the Left Front. Unfortunately, even the top ranking leaders could not separate themselves from the corrupt influence of aimlessness and the inhuman condition inundating the society. It is very apparent that those leftist leaders who could demand respect from us because of their examples of sacrifice and hard work, are unable to avoid the temptation of luxury. In addition, since no attempts were made to set meaningful examples to bring about changes in people's faith and state of mind, the predominance of illogical emotion, blind tradition and reactionary thought process continue to prevail. As a result, casteism, communalism, the dowry system, wife beatings and many other social crimes are continuing unabated in spite of the fact that a progressive leftist administration is in power. Most of all the idealistic, non-compromising,

revolutionary idealism of the working class upon which the ultimate revolutionary goal is predicated, finds a people besieged with lethargy. In their attitudes and behaviors they have demonstrated their loss of honesty, discipline and integrity, and they do not have the mental state to come above individual self-interest and become inspired by the totality of the revolutionary fervor.

Leftists all over India are travelling along the same road as those of West Bengal. The only difference is that since they have been in power for a much longer period of time, their responsibility is much greater. It should be noted that on an all India basis the leftists are pursuing the goal of seizing power. Yet, along with political activities, in the interest of improving the psychological and moral state of mind they have totally stayed away from undertaking tireless hard labor. It is this most apparent moral vacuum in their personal lives which will create great obstacles toward the anticipated political success in the future. As a matter of fact, it may not be wrong to assume that in future, if at any time the leftists are able to capture power on an all India basis, as rulers, they would face failure at every step in their effort to establish revolutionary policies. No matter how hard one may work, it is not possible to grow crops in the desert. Consequently, it is extremely important for the Indian leftists to undergo proper self-analysis and become diligent in defining their courses of action. The recent example of perestroika in the Soviet Union is trying to teach them this very lesson.

#### **Commentary Sees Indian Voters Becoming More Discriminating**

46240022 New Delhi NAVBHARAT TIMES in Hindi  
24 Jan 89 p 6

[Editorial: "Regionalism or Nationalism"]

[Text] Will the election results coming from Tamil Nadu discourage Congress Party to the point of throwing in its towel? The answer to this question depends on whether the Congress Party is thinking about the long-range or immediate effects of this defeat. Does the Congress Party have any courage left to think about any long-range strategies?

In the case of long-range planning, the Congress Party is adamant on using the one-India principle against the regionalism of Dravida Kagzam, then why shouldn't Congress wait for 13 years for the right opportunity the way Karunanidhi did in Tamil Nadu? (The insistence on Indian unity should be proportional to India's forbearance and age!) In the case of immediate plans, if the Congress party expected Rajiv Gandhi to have similar charisma to M.G. Ramachandran and hoped to win on the grounds of movie and fantasy world attraction over which Tamil Nadu elections are supposed to be won, then this defeat is more than shattering. They have to forget Annadurai and live in the memories of Kamraj.

The Congress party has to identify itself with self-sacrifice and the year-round hard work of its people. This is the kind of relationship that the Congress party has refused to establish both in the North and the South.

The Congress is harassed by the memories of incidents between 1971 and 1984. Whenever a party found that it was easier to get two-third of votes in a legislative assembly, it chose to ride on the shoulder of a charismatic superstar. We cannot blame the Congress party for this. The Indian voters gave birth to this trend by showing their preference to attractive superstars over hard working candidates. The Indian opposition parties also have learned that it is a wave and not hard work that wins elections. In 1977, it won riding the wave of Jay Prakash Narain. This very wave was what made Vishwanath Pratap Singh's leadership a possibility. Now it seems that riding waves to victories in election is a thing of the past. It is evident not only in the South, but also in other regions.

We are not making this important conclusion due to the Tamil Nadu election results alone. There were similar developments here even in 1967 and the Dravidism has not been defeated here for the last 22 years. However, our conclusion is upheld if we take a look at the developments in Andhra, Karnataka, Kerala, Punjab, Kashmir, Assam, and West Bengal. One other conclusion is that if we continue to use charismatic superstars to run the country then provinces will also use this strategy and produce their own brand of attractive superstars. If the superstar of India is an incarnation of Goddess Kali and fails to fulfill the hopes of our country's 800 million people, then she will lose her charisma in 2 or 3 years. An Andhra superstar will be raised to fight a central superstar. It does not matter if both of them are equally bogus. The message from Tamil Nadu is similar to the one received from West Bengal. The voters are becoming smarter and they have started to ignore regional superheroes the same way they shunned the all-India version.

The results of earlier elections in Tamil Nadu and Andhra Pradesh gave the impression that the southern voter believes that actors playing the role of gods are equal to gods. They appeared to believe that those god-like candidates were immune to worldly problems. Actually, this was never true in Tamil Nadu. Tamil Nadu has always supported fundamental Dravidism and the writers, actors, artists and movie stars of this area have always supported Dravidism. This tendency led to the belief that movie stars ruled this region and the slogan of Dravidism was just an excuse. The victory of Dravida Munetra Kagzam has broken this myth. It is clear now that the people in Tamil Nadu will support Karunanidhi, who was banished for 13 years from its political arena and who has been accused of corruption by a government inquiry commission, over such movie stars as Jaya Lalitha and such popular leaders as Rajiv Gandhi. Karunanidhi has what Tamil Nadu voters consider as the first requisite for a leader.

We are not concerned about the effects of Tamil Nadu election results or who will win the Lok Sabha elections in 1989. All we want to assert is that the voters all over India should follow the example set by Tamil Nadu voters and let the leaders know what exactly they want. This country would benefit greatly if the voters all over India give a clear message to all national parties and let them know what is the most important requirement for their existence. The voters who went for the dazzle of the magic in 1971, 1977, 1980, and 1984 did not help the country. Will the next elections establish new standards and new dimensions instead of dividing the country into various regions? This is the most important question linked to Rajiv Gandhi's future. The voters in Tamil Nadu pushed the super-leaders into a corner and have started to look for their destiny. When will India follow suit? It is important for India to look for its destiny because God obviously never promised that a miracle worker would sit on the throne in New Delhi for the last 500 or 1,000 years. We have to look farther than depending on average leaders and their mediocre performance.

### **Commentary Questions Fear of Multinational Companies**

46240023 New Delhi JANSATTA in Hindi  
23 Jan 89 p 4

[Article by Murad Beg: "Why Are We Afraid of Multinational Companies?"]

[Excerpts] The furor over the permission for Pepsi-Cola to operate in India questions our nation's degree of industrialization and self-confidence. The world is progressing very rapidly and we are being left behind. We have not been able to implement the right policy and have been struggling with the concepts of nationalism, self-dependence, and the rights of government workers. It is ridiculous to see that our country with all its resources has not been able to formulate and implement an effective policy for industrialization while countries like Korea and Taiwan have a surplus of foreign currency and are making new places in international markets by employing new technologies. What are we afraid of? Are we afraid of letting multinational companies in our country or are we afraid to find out that we are incompetent? [passages omitted]

Our laws permits entry to foreigners. Unfortunately, our economic plans have not been as successful as some other countries. The derogatory attitude expressed toward foreign brands in newspapers and by our politicians also discourages foreigners. No wonder very few of world's top 500 companies want to pay any attention to India's plans. These same companies are investing heavily in the Southeast and East Asian countries. We can access major international markets only by the help of these major multinational companies. This cooperation can help us attain our national goals also. We can also benefit from access to the latest technologies.

Foreign companies can always be regulated according to our country's laws to help our nation. No foreign power or multinational company can harm our country which is economically self-sufficient. We can always eject or stop a foreign company when it ignores our laws or harms our country. No large company can afford to hurt its long-term relationship for some short-term gains.

India has now arrived at that point of industrialization that any policy of protectionism will only block our progress. It is unfortunate that we are hindered in the progress toward industrialization just to protect the vested interests of a small segment of our society. What will we benefit by staying behind the mainstream? We have all the necessary means. There are abundant natural resources. There are hordes of trained managers and workers. All we need is a creative strategy to stay in step with the rest of the world.

Our engineers, technical experts who are working all over the world in the areas of computers, electronics, medicines, and space technology will return to India once they are given the opportunity to work here and play an important role in the advancement of our country. No other Asian country can boast the facilities and resources we have in India. As long as India has highly trained labor force at low wages no industrial organization or market in the world can afford to ignore us. Our manufactured items have yet to find a niche in the world market. All we need is some international strategy and sales techniques. We can get that by allowing foreign companies to operate in India.

People fear that multinational productions might hurt our country's small-scale industry. Our own experience has shown us that the expensive large-scale industrial undertakings cannot compete with our small-scale industry. This is not true in the case of high-technology areas. But then small-scale industry is not much involved in high-technology areas. Also, high-technology undertakings often encourage and help small-scale industries for their own support. The beneficiaries of this is the people and the government. Despite all facilities and the access to the latest technology, companies like Lever Brothers have not been overly successful in the area of soap and edible oil production. They have a very large and well-organized distribution system and they carry out fancy market analyses. Still, their toothpastes, toilet soaps, and talcum powders are not that successful. Vajradanti Herbal toothpaste, Promise toothpaste (Balsara), Nirma soap, and other small-scale industry productions are more successful in the market. Nestles, the most popular producer of food and drinks in the world, has not been successful in selling its Maggie soups in India. Its new Maggie tomato ketchup could not compete with Kissan ketchup. We admit that Nestles Maggie noodles is successful due to a strong advertising campaign and marketing policies. What contributed to this success was the advertising about instant noodles and not its being a foreign product.



The focus of discussions these days is on soft drinks, and India's own Parle's Limca is the most popular soft drink in the country. There is no reason to believe that Limca's popularity will decrease if a soft drink of any foreign brand is given permission to market in India. Look at the world famous Gillette and Wilkinson razor blades! They have not been able to equal Indian blades.

Due to the accident in Bhopal, Union Carbide became notorious all over the world. Most other companies have proved to be a good business partner in India. They have maintained a very responsible attitude towards their employees, working environment, government rules, taxes, management, and training. For this reason our competent workers and university graduates prefer to work for foreign companies.

Indian consumers are not fooled easily either. They may buy a new product once due to its novelty, but they will not buy a product just because it is foreign. When Ford

tractors had returned after a long period of absence, they were not very successful in the market. Despite their famous brand the farmers adopted them only after 3 years of testing and finding them to be true to their advertised qualities. The same thing happened to Japanese motorcycles, scooters, and LCV television sets.

Indian consumers may not be very educated, but they adopt new products only after testing them. A mature consumer cannot be fooled. The consumer has the right to pick the best product in this competitive market. He does not have to go for foreign brands. Every consumer tries to get the best for his money. If a producer cheats on quality, hesitates in after-sale services, and is unable to provide parts, the business world and the consumer know about it immediately. What all the rules and regulations could not achieve has been achieved by the competitive atmosphere in the market!

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